NACo LEGISLATIVE BRIEF

County Highlights in the FY 2020 Federal Spending Agreement

DECEMBER 2019

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Introduction: Congress finalizes FY 2020 federal appropriations

Nearly three months after the start of fiscal year (FY) 2020, congressional leaders were able to reach an agreement on a two-part spending deal that will fund the federal government through September 30, 2020. President Trump signed the two packages (H.R. 1865; H.R. 1158) totaling more than 2,300 pages and $1.4 trillion, into law on December 20, averting a government shutdown and bringing an end to several months of short-term funding extensions and disagreements over spending levels and policy riders.

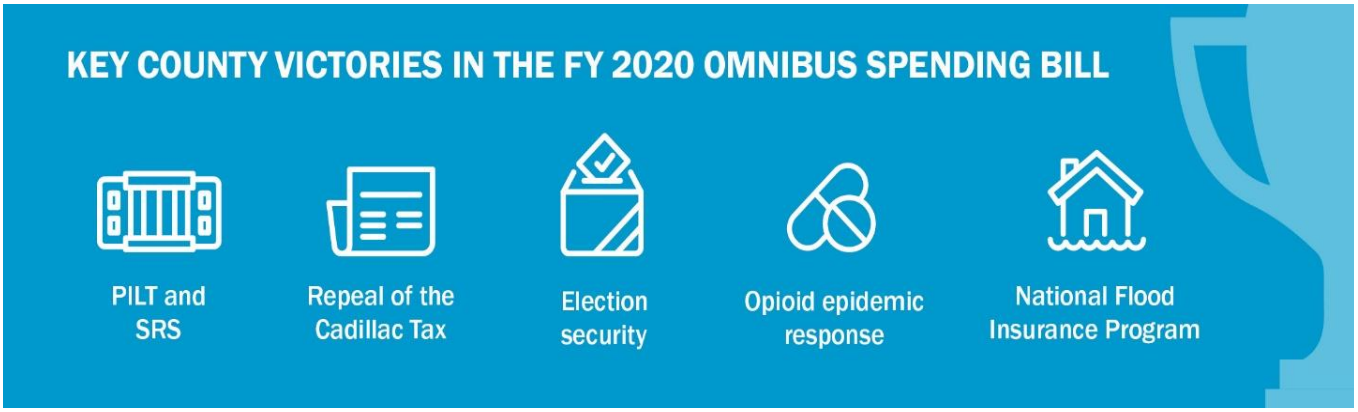
The first package (H.R. 1158) included four of the twelve appropriations bills: Defense, Homeland Security, Commerce-Justice Science and Financial Services. The remaining eight bills, Labor-Health and Human Services-Education, Agriculture, Energy and Water Development, Interior-Environment, Legislative Branch, Military Construction-Veterans Affairs, State-Foreign Operations and Transportation-Housing and Urban Development, were grouped together in the second package (H.R. 1865).

The overall $1.37 trillion funding in the spending bills – a combination of $738 billion in defense funding and $632 billion for non-defense departments – represents the highest level of appropriations funding for the federal government since FY 2011. In total, the spending agreement provides $49 billion in extra funding spread across the federal government over the next nine months.

Counties and the FY 2020 spending deal

The FY 2020 spending deal includes several key items of importance for county governments. Several of these items include:

- Full funding for the Payments in Lieu of Taxes program and a two-year reauthorization of the Secure Rural Schools program
- The full repeal of the 40-percent "Cadillac Tax"
- $425 million in new election security funding
- $5 billion in new funding for disaster relief
- $1.5 billion for local opioid response efforts
- National Flood Insurance Program (NFIP) extended until September 2020
- $640 million investments in expansion of rural broadband services
- Extends Medicaid Disproportionate Share Hospital (DSH) payments through May 22, 2020
- Increased investments in CDBG, the HOME program and the Economic Development Administration
- Legislative fix for counties implementing child welfare reforms through Family First Transition Act



How did we get here?

In August 2019, Congress passed and the president signed a $2.7 trillion budget agreement that raised federal spending caps for both FY 2020 and FY 2021 by nearly $320 billion over the next two years, with new allowances split between defense spending and non-defense discretionary dollars. For FY 2020, the budget deal allowed lawmakers an extra $50 billion in discretionary spending limits, paving a path for significant increases to key county-priority federal programs. In addition to raising budget caps, the deal lifts the nation's debt limit for two years, setting up the next deadline in 2021. Since the budget agreement was signed into law, Congress has passed multiple continuing resolutions (CRs) over the last three months to avoid a government shutdown.

Of note for counties, significant tax and policy changes were included in the legislation

The spending deal also includes a suite of tax provisions known as "tax extenders" because they delay the expiration of dozens of tax benefits. Under the legislation, the majority of these receive an extension through 2020, except for tax credits for biodiesel and rail lines, which are now delayed until 2022.

Additionally, the bill repeals certain taxes created under the Affordable Care Act (ACA, P.L. 111-148), rescinds some provisions from the Tax Cuts and Jobs Act (TCJA, P.L. 115-197) and offers tax breaks to victims of natural disasters.

The total estimated cost of the suite of tax provisions is roughly $426 billion, with the repeal of three Affordable Care Act taxes accounting for $373.3 billion. **The chart to the right details several significant tax changes included in the legislation.**

TAX PROVISION	WHAT THE SPENDING AGREEMENT CHANGES
Repeals Cadillac Tax	The Affordable Care Act (ACA) included a 40 percent excise tax on the most comprehensive and expensive employer health insurance plans exceeding $11,200 for an individual policy or $30,150 for family coverage, which was known as the "Cadillac Tax." Due to multiple delays the tax has never taken effect, and in a big win for counties is now permanently repealed.
Repeals Medical Device Task	The ACA included a 2.3 percent excise tax on the price of taxable medical devices sold in the United States. The tax has been suspended since 2016 and is now permanently repealed.
Repeals Health Insurance Sales Tax	The ACA included an annual tax charged to insurance companies on health policy premiums. The tax was delayed in 2017 and had a moratorium in 2019 and is now permanently repealed.
Corrects "Kiddie Tax" Error	This technical correction undoes language from the Tax Cuts and Jobs Act of 2017 (TCJA) that erroneously raised taxes on income such as survivor benefits received by the children of deceased military members and first responders.
Repeals the "Church Parking Lot Tax"	The TCJA included a provision that taxed employer-provided parking for nonprofit organizations, which the extenders package has now repealed.
Extends Empowerment Zone Tax Incentives	Provides tax benefits through the end of 2020 for certain businesses and employers operating in empowerment zones. There are 41 areas designated as empowerment zones, and the tax benefits include tax-exempt bond financing and tax credit for employers who hire qualifying employees.
Extends Energy-Efficient Homes Credit	Provides a $1,000 or $2,000 credit for manufacturers of energy-efficient residential homes.
Extends Energy-Efficient Commercial Buildings Deduction	Provides a deduction for energy efficiency improvements to lighting, heating, cooling, ventilation and hot water systems of commercial builds.

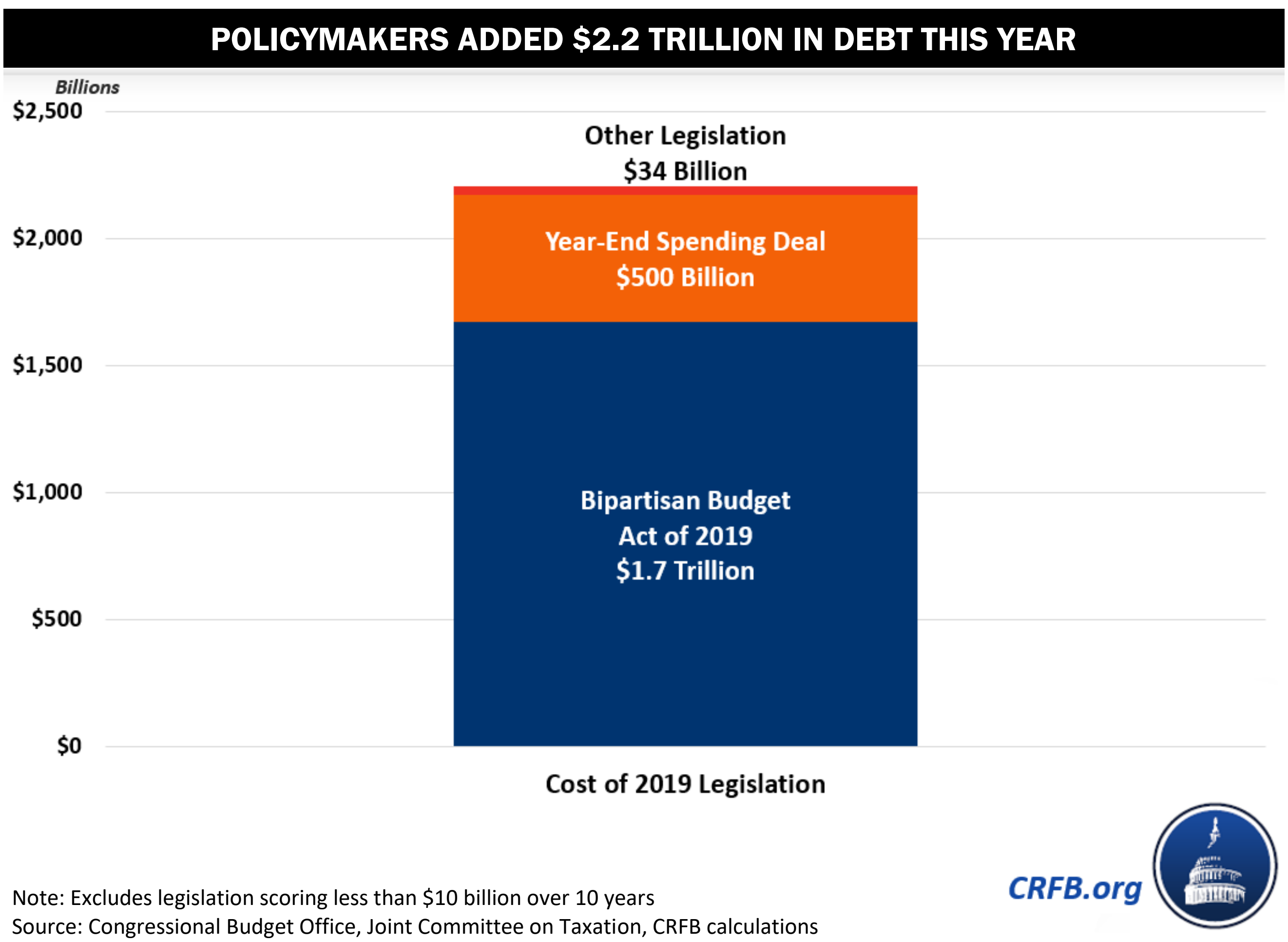
Source: Lexology; CMRS

The FY 2020 appropriations funding adds almost $500 billion to the debt; Combined with other legislation in 2019, Congress adds almost $2.2 trillion to the debt

According to estimates from the Committee for a Responsible Budget (CRFB), in 2019 alone, Congress has enacted legislation that will add $2.2 trillion (including interest) in debt over the next decade.

Most of this increase is a result of the Bipartisan Budget Act of 2019, which raised discretionary spending caps for fiscal years 2020 and 2021 by $320 billion and adds $1.7 trillion to projected debt levels over the next ten years.

According to CRFB estimates, the FY 2020 appropriations deal costs approximately $500 billion, from the permanent repeal of the ACA's "Cadillac Tax" on high-cost health insurance plans, the medical device tax, the tax on health insurers, and the inclusion of several "tax extenders" that expired in 2017. Additional legislation that contributes to the $2.2 trillion increase include an additional $19 billion in disaster relief enacted in June and $10 billion to permanently authorize the 9/11 Victim Compensation Fund.



Section by section highlights

AGRICULTURE AND RURAL AFFAIRS

Agriculture and Rural Affairs programs administered through the U.S. Department of Agriculture (USDA) help counties invest in rural infrastructure and community development, and provide nutritional services and access to critical healthcare services to some of our nation's most underserved communities. Overall, the FY 2020 appropriations package provides $151 billion in discretionary and mandatory funding for USDA, over two-thirds of which is dedicated to nutrition programs (covered later within this report).

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

The bill provides $3.8 billion in total budget authority for USDA's Rural Development programs. 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 legislation provides $1.45 billion in direct loans to support the Rural Water and Waste Disposal Program, $50 million above the FY 2019 level. The bill also includes $443 million in grants for the Water and Waste Disposal Program, while providing $30 million in water and waste technical assistance grants – equal to the FY 2019 level. These programs help counties make critical investments in our nation's water infrastructure.

- **Rural e-Connectivity Program:** The agreement provides $555 million for the Rural e-Connectivity Program (ReConnect Program) to increase access to broadband connectivity in unserved and underserved rural communities. This represents a $45 million cut from FY 2019. *The legislation also directs USDA to make necessary improvements to the program, including addressing the accuracy of broadband speed maps.*

- **Distance Learning, Telemedicine and Broadband Program:** The legislation provides $690 million for the Rural Telecommunications Program, which represents level funding from the FY 2019 level. This includes $87 million for the Distance Learning, Telemedicine and Broadband Program, including $50 million for Distance Learning and Telemedicine grants. These programs provide broadband services in rural communities to support critical health, workforce development and educational services.

USDA Rural Housing Service

- **Rural Community Facilities Program:** The legislation includes $2.8 billion for direct community facilities loans – equal to FY 2019. This program helps finance rural hospitals, libraries, schools and health clinics.

- **Rural Housing Loan and Rental Assistance Programs:** The legislation includes $1 billion in single family housing direct loans and $230 million in multi-family housing loan guarantees. Additionally, it includes

$1.375 billion for the Rental Assistance Program, which is expected to fund all expiring FY 2019 contracts. These programs provide home loan and rental assistance to low-income rural families.

USDA Business-Cooperative Service

- **Rural Business Development Grant Program:** The legislation includes over $65 million for rural business development loans and grants, an increase of $3 million over FY 2019 levels. This program assists rural communities with creating and expanding new markets and products through strategic investments.

- **Rural Cooperative Development Grants:** The legislation includes $26.6 million for Rural Cooperative Development Grants, $2.5 million below FY 2019. This program helps rural communities create and expand new markets and products through strategic investments.

COMMUNITY, ECONOMIC AND WORKFORCE DEVELOPMENT

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 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 $49.1 billion, a $4.9 billion increase over the FY 2019 level. HUD's community planning and development program sees a $319 million increase to $8 billion; these funds help counties promote local community and economic development.

- **Community Development Block Grant (CDBG):** The Community Development Block Grant (CBDG) receives $3.4 billion, an increase of $100 million over the FY 2019 level. NACo strongly supports CDBG, which is used to fund vital community, infrastructure and economic development programs.

- **HOME Investment Partnerships:** The HOME Investment Partnerships (HOME) program receives $1.35 billion, a $100 million increase over the FY 2019 level. The HOME program helps counties design and implement affordable housing programs for low-income residents.

> The Community Development Block Grant (CDBG) receives $3.4 billion, **an increase of $100 million over the FY 2019 level.**

- **Housing Assistance Funding for Individuals from Substance Use Disorders (NEW):** The legislation provides $25 million directly to states to provide temporary housing for individuals who are in recovery from a substance use disorder.

HUD Homeless Assistance / Section 8 Vouchers

- **Homeless Assistance Grants:** Homeless Assistance Grants (HAG) are funded at $2.8 billion, a $141 million increase over FY 2019 levels. The bill allocates $80 million to address youth homelessness. Furthermore, the legislation directs the HUD Secretary to use HAG funding for a multi-agency performance partnership pilot program for FY 2020.

- **Housing Choice Vouchers:** The legislation provides $23.9 billion for Housing Choice Vouchers, an increase of $1.3 billion over FY 2019 levels. Housing Choice Vouchers is a key program to assist low-income families, the elderly and the disabled with housing in the private market.

- **Choice Neighborhoods Initiative:** The legislation provides $175 million for HUD's Choice Neighborhoods Initiative, an increase of $25 million over FY 2019. The Choice Neighborhoods program provides assistance to communities to transform distressed public or HUD-assisted housing.

- **HUD-VASH Program:** The spending agreement fully funds the U.S. Department of Housing and Urban Development – Veterans Affairs Supportive Housing (HUD-VASH) Program at $40 million, level with FY 2019, and includes $1 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 $15.2 billion in the spending agreement, a $3.8 billion increase from FY 2019.

- **Economic Development Administration (EDA):** The agreement provides $333 million for the U.S. Department of Commerce's Economic Development Administration (EDA), a $29 million increase from the FY 2019 level. EDA funding supports regional strategies for long-term growth and serves as a catalyst in helping communities achieve long-term economic growth. *Of this amount, the bill directs EDA to use $118.5 million towards the Public Works program, which supports projects to revitalize distressed communities across the country.*

> The spending bill directs the Economic Development Administration to use funding under Public Works and Economic Adjustment Assistance accounts **in support of projects to revitalizes distressed communities.**

- **U.S. Census Bureau:** The spending deal provides $7.6 billion for the U.S. Census Bureau, an increase of nearly 23 percent above the president's request. Of this amount, $6.69 billion goes towards activities to ensure the efficient and adequate deployment of the 2020 Census. NACo supports full funding for an accurate and complete count during and throughout the 2020 Census to ensure federal support for counties reflects each jurisdiction's full population.

U.S. Department of Labor (DOL)

The U.S. Department of Labor is funded at $12.4 billion in the spending agreement, a $291 increase from FY 2019.

- **Workforce Investment and Opportunity Act (WIOA):** The agreement includes $2.82 billion for Workforce Innovation and Opportunity Act (WIOA) Title I programs, a $30 million increase over FY 2019 levels. Of this amount, $854.6 million is included for adults, $913 million for youth, and $1.52 billion for dislocated workers. WIOA is the modernized workforce development system designed to meet the needs of employers and jobseekers alike, and it is the largest single source of federal funding for workforce development activities and a critical resource to counties.

- **Workforce Opportunity for Rural Communities:** The agreement provides $30 million to continue this program in the Appalachian and Delta regions and directs DOL to ensure broad geographic distribution of funds within these regions and the awards shall not exceed $1.5 million per award.

- **Career Pathways for Youth Grants (NEW):** The legislation provides $10 million to utilize the demonstration grant authority under the dislocated worker national reserve for grants to support national out-of-school time organizations that serve youth and teens and place an emphasis on age-appropriate workforce readiness programming. Funding will also support partnerships between workforce investment boards and youth serving organizations.

- **Veterans Employment and Training:** The legislation provides about $311 million in total for veterans' employment and training, an $11 million increase over FY 2019. This program provides military veterans with employment resources and preparation.

- **Apprenticeship Grants:** The Apprenticeship Grant program is funded at $175 million, $15 million more than FY 2019. Apprenticeships provide a career pathway for individuals to learn job skills and earn a competitive wage. *The legislation directs that funding should be prioritized to "support state, regional and local apprenticeship efforts, as well as efforts by intermediaries to expand registered apprenticeships into new industries and for underserved or underrepresented populations."*

- **Strengthening Community College Training Grants (NEW):** The legislation provides $40 million for the Strengthening Community College Training Grant program and directs the Secretary to make individual grants to community colleges of at least $1 million unless grants are awarded in consortia to community colleges and other eligible institutions and do not exceed $5 million per grant.

ENVIRONMENT, ENERGY 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 (EPA)

Under the legislation, the U.S. Environmental Protection Agency (EPA) is allotted $9.06 billion for FY 2020, $208 million above FY 2019. EPA is the federal agency tasked with protecting human health and the environment.

- **Brownfields Project Grant Program**: For FY 2020, the EPA's Brownfields Project Grant Program receives $89 million. This represents a $2 million increase above the FY 2019 level. *The bill directs at least ten percent of funds provided to areas in which at least 20 percent of the population has lived under the poverty level over the past 30 years.* Brownfield sites are abandoned or under-utilized industrial and commercial properties that have been contaminated (or are 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.

- **Clean Water and Drinking Water State Revolving Funds:** The Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF) receive $2.77 billion combined in the spending deal, which represents a $506.9 million increase compared to FY 2019 levels. 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.

> The Clean Water State Revolving Fund and the Drinking Water State Revolving Fund **both receive significant increases in the spending agreement.**

  - **CWSRF:** The CWSRF receives $1.64 billion for Clean Water Act (CWA) municipal wastewater infrastructure construction or upgrade projects. This represents more than a $244 million increase from FY 2019.

  - **DWSRF:** The DWSRF receives $1.13 billion in the legislation to support Safe Drinking Water Act infrastructure projects. This represents a $262 million increase from FY 2019.

- **Water Infrastructure Finance and Innovation (WIFIA) Program**: The spending agreement includes $60 million for the Water Infrastructure Finance and Innovation (WIFIA) program, $8 million below FY 2019 level. Created in 2014, WIFIA provides long-term, low-cost loans for large water and wastewater projects.

- **Regional Water Grants:** The legislation provides $510 million overall for regional water grants, $53 million above the FY 2019 level. The Great Lakes Restoration Initiative received $320 million, the Chesapeake Bay program received $85 million, the Gulf of Mexico was allotted $17.5 million, the Lake Champlain program received $13.4 million, Puget Sound received $33 million, the Columbia River Basin Restoration Program received $1.2 million and the South Florida Program received $4.8 million.

- **Diesel Emission Reductions Grants (DERA)**: The legislation funds the Diesel Emission Reductions Grant (DERA) program at $87 million for FY 2020, which is level with FY 2019. 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.

- **Coal Ash**: The FY 2020 bill provides $9 million to develop and implement a federal program for the regulation of coal combustion residuals in non-participating states, $1 million above FY 2019. 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.

- **National Estuary Program (NEP)**: The agreement funds the National Estuary Program (NEP) at $29.82 million, which will provide each of the 28 national estuaries a grant of at least $662,500. These grants are used to develop comprehensive management plans to restore and protect estuaries.

- **Superfund Cleanup**: The agreement provides $794.7 million for Superfund Cleanup, $73 million above FY 2019 levels. These funds help clean and rehabilitate sites contaminated with significant amounts of hazardous waste**.**

- **Drinking Water and Wastewater Related Grant Programs (NEW):** The legislation includes funding for three grant programs to address drinking water quality. This includes $19.5 million to reduce lead in drinking water, $26 million for a voluntary school lead-testing grant program, $12 million for technical assistance for treatment works and $28 million for sewer overflow control grants.

> The spending agreement establishes three new grant programs that will **aim to reduce lead in drinking water, implement lead-testing and provide technical assistance for treatment works.**

- **Targeted Airshed Grants:** The legislation provides $56.3 million for Targeted Airshed Grants in areas that do not meet federal standards. These funds are used to support local clean air projects in areas facing the highest levels of ground-level ozone and fine particulate matter, commonly known as smog and soot.

- **Harmful Algal Bloom (HABS):** The agreement provides $11.7 million to investigate health effects from exposure to HABs, $6.7 million above FY 2019 levels. The bill encourages the EPA to fund research grants that help promote scientific progress towards preventing and controlling HABs.

- **Per- and Polyfluoroalkyl Substances (PFAS) Chemicals (NEW):** The legislation includes $43 million in new funding for scientific and regulatory work and cleanup assistance for PFAS. *The bill directs the EPA to brief Congress within 60 days of enactment on its ongoing work to set maximum contaminant levels for PFAS under the Safe Drinking Water Act, as called for in its PFAS Action Plant.*

- **Leaking Underground Storage Tank (LUST) Program**: The Leaking Underground Storage Tank (TANK) program receives $92 million for FY 2020, sustained from the current FY 2019 level. 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.

- **Environmental Justice**: Environmental justice activities are provided $10.2 million in FY 2020, nearly double the FY 2019 level. Counties support federal funding of research to scientifically evaluate cumulative environmental and health risks to all people, regardless of race or economic status, who live close to facilities that emit pollutants and providing the results to local elected officials.

U.S. Army Corps of Engineers (Army Corps)

Under the agreement, the U.S. Army Corps of Engineers (Army Corps) is allotted $7.65 billion for FY 2020, $652 million above FY 2019. The Army Corps is the federal agency that primarily oversees America's water infrastructure, such as dams and canals for flood protection.

- **Project Construction**: The legislation provides $2.68 billion for water infrastructure project construction, $498 million above FY 2019 levels. This funding is used for projects related to ports, inland waterways, levees, dams, wetlands, watersheds and coastal restoration.

- **Maintenance and Operation**: The legislation allocates $3.79 billion for operation and maintenance of existing water infrastructure. Priority will be given to projects that will "enhance the nation's economic development, job growth and international competitiveness or are for studies or projects located in areas that have suffered recent natural disasters."

U.S. Department of Energy (DOE)

Under the spending agreement, the U.S. Department of Energy (DOE) receives $38.59 billion, an increase of $2.9 billion above FY 2019 levels.

- **Energy Efficiency and Renewable Energy Funding**: The legislation provides $2.85 billion for DOE's Office for Energy Efficiency and Renewable Energy (EERE), but includes a rescission of $58 million of unused funds previously appropriated under the Defense Production Act for biorefinery construction for a net appropriation of $2.79 billion, a $411 million increase over FY 2019 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 agreement, $156 million would be appropriated for activities to "upgrade the nation's electric grid against all hazards, reduce the risk of and impacts from cybersecurity events and assist with restoration activities." This is $36 million more than FY 2019 levels.

- **Resilient Electricity Delivery System**: The legislation provides $190 million to "advance technologies to increase the resiliency and efficiency of the nation's electricity delivery system with capabilities to incorporate growing amounts of clean energy technologies." This is $34 million above FY 2019 levels.

- **Weatherization Assistance Programs:** Under the spending agreement, DOE's weatherization program receives $305 million, an increase of $48.5 million from FY 2019. 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.

- **Environmental Cleanup**: One of DOE's primary missions includes cleanup of the Manhattan Project, which built the first atomic bomb. The legislation includes $7.46 billion to clean up contamination from nuclear weapons research and production activities – $280 million above FY 2019 funding levels. NACo supports efforts by the federal government to clean up existing and former nuclear weapon sites.

FINANCE, PENSIONS AND INTERGOVERNMENTAL AFFAIRS

- **Additional election security funding:** The spending package provides $425 million distributed through the Help America Vote Act (HAVA) to states for election security improvements including to implement established cybersecurity best practices for election systems. *In addition to the $425 million allocation, the spending agreement also requires a 20-cents-on-the-dollar match by states that receive election security money. This is a major shift from the original five percent match required under the FY 2019 omnibus.*

  The legislation also directs how states can use this funding:

  - Replace voting equipment that only records a voter's intent electronically with equipment that utilizes a voter-verified paper record
  - Implement a post-election audit system that provides a high-level of confidence in the accuracy of the final vote tally
  - Upgrade election-related computer systems to address cyber vulnerabilities identified through DHS or similar scans or assessments of existing election systems
  - Facilitate cybersecurity training for the state chief election official's office and local election officials
  - Implement established cybersecurity best practices for election systems

> The spending agreement requires a 20-cents-on-the-dollar match by states that receive election security funding. **This is a major shift from the original five percent match required under the FY 2019 omnibus.**

- **Election Assistance Commission (EAC):** The FY 2020 agreement provides $15.1 million in base funding for the Election Assistance Commission (EAC), a $5 million increase over FY 2019 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. The EAC works with counties to coordinate collaborative efforts among local, state and federal government officials in addressing election issues from the accessibility of polling places to the cybersecurity of voting equipment and voter registration databases.

- **Repeal of the 40-percent excise tax or "Cadillac Tax":** The legislation includes a provision that fully and permanently repeals the 40 percent excise tax, also known as the Cadillac Tax, on employer-sponsored health insurance programs. With counties serving as one of the nation's largest providers of health insurance programs, the repeal of the Cadillac Tax is critical to ensure counties can continue to provide healthcare coverage for nearly 3.6 million county employees and their families and dependents.

> **The legislation includes a provision that fully and permanently repeals the 40 percent excise tax, also known as the Cadillac Tax,** on employer-sponsored health insurance programs.

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.

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 and long-term care facilities, 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.

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

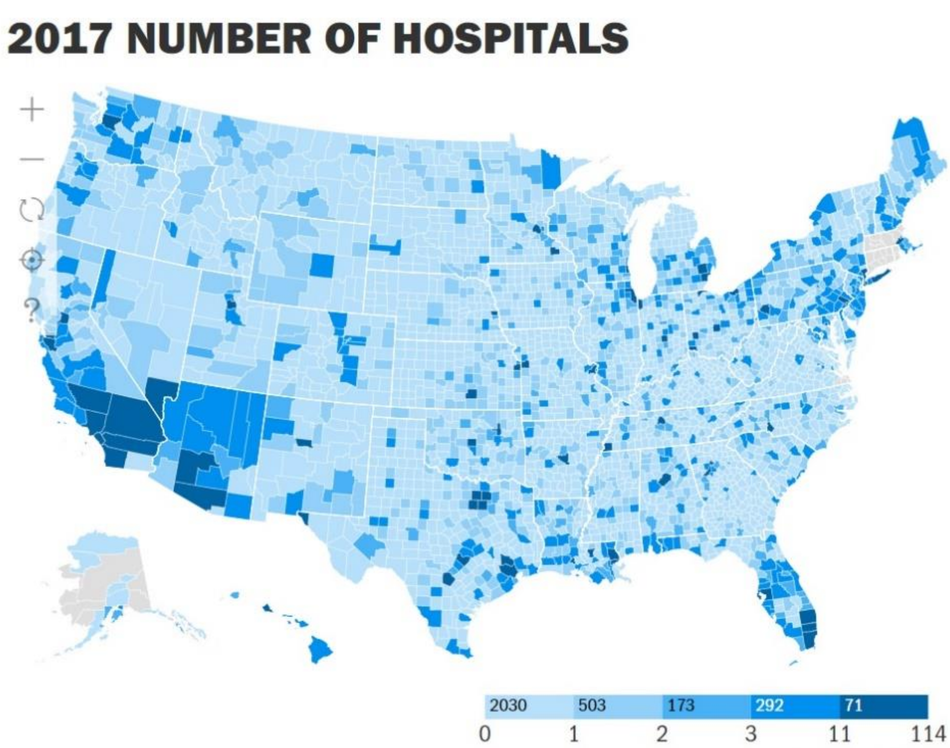
The agreement funds the U.S. Department of Health and Human Services at $94.9 billion, a $4.4 billion increase above FY 2019 levels. The legislation targets funds for effective, proven programs improving the health, safety and quality of life for Americans and extends funding for key health care safety net programs through May 2020.

- **Medicaid Disproportionate Share Hospital (DSH) Payments:** The spending agreement extends funding for Medicaid DSH allotments through May 22, 2020. Medicaid DSH payments are critical to local hospitals that serve our nation's most vulnerable citizens. Hospitals that care for a disproportionate amount of low-income people and uninsured patients incur tremendous uncompensated costs. Medicaid DSH payments aid in making up those losses and allow our local hospitals, including county owned or supported, to continue to provide high quality care to all patients.

> “
> The spending agreement extends funding for Medicaid DHS payments and community health centers through May 2020.

- **National Health Service Corps:** The National Health Service Corps Program (NHSC) will be funded through May 22, 2020 at the FY 2019 level of $310 million. NHSC is administered by the Health Resources and Services Administration (HRSA) and provides financial and other support to primary care providers in exchange for their service in underserved communities. It is a vital lifeline for rural counties and communities with large numbers of indigent and uninsured residents.

ACROSS THE COUNTRY, COUNTIES SUPPORT OVER 900 HOSPITALS



- **Community Health Centers:** The agreement extends funding for the Community Health Centers Fund through May 22, 2020. The fund is administered by HRSA and now accounts for the majority of health center grant funding. These centers deliver comprehensive, culturally competent, high-quality health care services in areas with limited access to affordable health care.

Public Health Programs

- **Ending the HIV/AIDS Epidemic:** The spending agreement provides Health Resources and Services Administration (HRSA) with $2.4 billion for the Ryan White HIV/AIDS program, an increase of $70 million from FY 2019. Funds are targeted toward high-need jurisdictions to increase linkage, engagement and retention in care with the goal of increasing viral suppression among people living with HIV. Additionally, $50 million of the funds provided to HRSA are for health centers to achieve the administration's goal of reducing new HIV infections by 90 percent over 10 years.

- **Centers for Disease Control and Prevention:** The legislation funds the CDC at $8 billion for FY 2020, a $636 million increase above the FY 2019 level. 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 CDC.

  > The Centers for Disease Control and Prevention (CDC), which funds a significant portion of county public health departments' budgets, receives **$8 billion under the spending agreement, a $636 million increase over FY 2019.**

  Several other programs under the CDC that counties utilize receive level or increased funding in the legislation. Preparedness and response activities received level funding at $850 million. The chronic disease prevention and health programs received $984 million, an increase of $52 million from FY 2019. Also under CDC, the Racial and Ethnic Approaches to Community Health (REACH) program receives approximately $60 million.

  The legislation also directs new funding to support public health efforts that prevent the leading causes of preventable illness and disease. These funds will assist efforts such as modernizing public health data surveillance and analytics in local health departments ($50 million), establishing a suicide prevention program ($10 million) and addressing the harmful health impacts of tobacco and e-cigarettes.

- **Federal Funding for Opioid Overdose Prevention:** Notably, CDC receives $475 million in FY 2020 to continue to advance the understanding of the opioid overdose epidemic and enhance states' prevention activities. The package also includes an agreement that will "encourage CMS to collaborate with SAMHSA, CDC and HRSA to support education and training for medical providers on the frontlines of the opioid epidemic to help expand access to comprehensive, coordinated care for opioid addiction and related infectious diseases."

Behavioral Health Programs

- **The Substance Abuse and Mental Health Services Administration (SAMHSA):** SAMHSA receives $5.9 billion for FY 2020, a $140 million increase over the FY 2019 level. Approximately 750 county behavioral health authorities receive block grant funding from SAMHSA to plan and operate community-based services for people with mental illnesses and substance use conditions.

> **The agreement provides $701 million for SAMSHA's Community Mental Health Services Block Grant**, which helps fund counties' mental health services.

- **SAMHSA's Substance Abuse Prevention and Treatment (SAPT) Block Grants:** The legislation provides level funding at $1.9 billion for SAPT block grants. County behavioral health authorities have traditionally relied upon this funding for the prevention and treatment of substance use disorders (SUD). Each state and jurisdiction is given flexibility to distribute SAPT funds to units of local government. The legislation mandates that funding allocations be made according to a formula that is based on trends in national drug use and drug related deaths.

- **SAMHSA's Community Mental Health Services Block Grant:** The agreement provides $701 million (level funding) for SAMHSA's Community Mental Health Services Block Grant, which helps fund counties' mental health services. Certified community behavioral health clinics receive funding at $200 million, an increase of $50 million above the FY 2019 level.

- **Opioid State Target Response Grants:** Originally created under the 21st Century Cures Act (P.L. 114-255), funding for the Opioid State Target Response Grants receives level funding of $1.5 billion in its fourth year. *Of note, the legislation directs a percentage of the funds be reserved for the states with the highest mortality rate related to opioid use disorder, with no state receiving less than $4 million annually.* In addition to OSTR funding, counties can also leverage grant funds from the Rural Communities Opioid Response program under HRSA. The program received continued funding at $110 million in the legislation with the aim of reaching hard-hit rural communities across America.

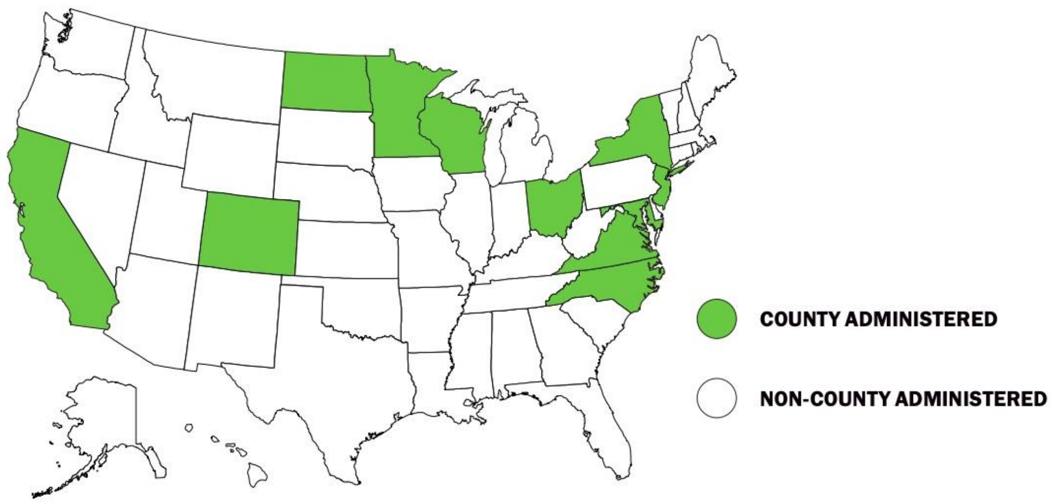
Human Services Programs

- **Legislative Fix for States and Counties Implementing Child Welfare Reforms:** The spending agreement includes the bipartisan Family First Transition Act (FFTA), which will assist counties in implementing child welfare reforms enacted under the Family First Prevention Services Act (FFPSA) by providing flexible one-time funding and creating a delayed phase-in of certain requirements for jurisdictions—including counties—to receive reimbursement for prevention services. Additionally, FFTA will address the expiration of child welfare demonstration projects with temporary funding for jurisdictions facing significant financial

> The spending agreement includes the bipartisan Family First Transition Act (FFTA), which will **assist counties in implementing child welfare reforms enacted under the Family First Transitions Act (FFPSA).**

losses and subsequent disruptions to child welfare services. The investments under FFTA are critical for counties, especially those in 12 states that are fully or partially responsible for child welfare administration.

FEDERAL HUMAN SERVICES PROGRAMS ARE ADMINISTERED BY COUNTIES IN TEN STATES



- **Extension of the Temporary Assistance for Needy Families (TANF) Program:** The legislation extends the authorization of the Temporary Assistance for Needy Families (TANF) program through May 2020 to provide members of Congress further opportunity to negotiate a long-term reauthorization bill. TANF is a federally funded entitlement program that allows states and localities to create and administer their own assistance programs for families in need. *In ten states, counties are the lead administrators of the program for the state.*

- **Social Services Block Grant (SSBG):** The Social Services Block Grant (SSBG) receives $1.7 billion, which is level with FY 2019 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, which many counties utilize for a variety of programs, such as adult protection, child care for children with special needs, child welfare, and child abuse prevention.

- **Head Start:** The Head Start program receives $10.6 billion, a $550 million increase over the FY 2019 level. This funding includes $905 million for Early Head Start, a $100 million increase. 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.

- **Low-Income Home Energy Assistance Program (LIHEAP):** The Low-Income Home Energy Assistance Program (LIHEAP) is funded at $3.7 billion, an increase of $50 million from FY 2019 levels. LIHEAP delivers critical short-term aid to our nation's most vulnerable populations, including the low-income, the disabled and the elderly, to afford home heating and cooling costs.

- **Child Care and Development Block Grant (CCDBG)**: The legislation provides $5.8 billion in discretionary funds for Child Care and Development Block Grant (CCDBG), an increase of $550 million over FY 2019 levels. CCDBG combines with a mandatory funding stream, the Child Care Entitlement to States, to comprise the Child Care Development Fund – the primary federal funding source supporting child care for low-income families. NACo supports full funding for CCDBG to meet the needs of eligible families.

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> The legislation provides $5.8 billion in discretionary funds for **Child Care and Development Block Grant (CCDBG), an increase of $550 million over FY 2019 levels.**

- **Community Services Block Grant (CSBG):** The legislation provides Community Services Block Grant (CSBG) with $740 million, a $15 million increase over the FY 2019 level. NACo supports full funding for CSBG, which allows counties and local partners to design and implement anti-poverty programs tailored to an individual community's needs.

- **Administration for Community Living (ACL):** The spending agreement provides $2.23 billion for the Administration for Community Living, an increase of $54 million over FY 2019 levels. This includes $937 million for senior nutrition programs that support programs such as Meals on Wheels. Counties are responsible for implementing necessary and effective services for older Americans, including community-based and long-term care services supported by the ACL.

Food and Nutrition Assistance Programs

The spending agreement preserves funding for food assistance programs including the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) 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 legislation provides $67.89 billion in mandatory funding for SNAP, a $5.6 billion decrease from FY 2019. This total includes $3 billion for the SNAP reserve fund, which is used to cover any unexpected participation increases. *Additionally, for the first time, the spending agreement makes SNAP reserve funds available for three full years to provide certainty in case of a future shutdown.* SNAP offers nutrition assistance to low-income individuals and families.

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- **Supplemental Nutrition Program for Women, Infants and Children (WIC):** The legislation provides $6 billion in discretionary funding for the WIC program, which is $100 million below the FY 2019 level. The WIC program aids low-income, nutritionally at-risk pregnant, postpartum and breastfeeding women as well as infants and children under age six by temporarily providing food to supplement diets, information on healthy eating and referrals to health, child welfare and social services. NACo supports full funding for WIC and other early childhood and maternal health programs that improve birth outcomes and child health and development, fostering long-term educational attainment, employment and self-sufficiency. WIC is administered by State operates out of 1,900 local agencies in 10,000 clinic sites across the country.

- **Child nutrition programs:** The legislation provides $23.5 billion in mandatory funding for child nutrition programs. This is a $474 million increase from the FY 2019 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 legislation funds the U.S. Department of Education at $72.8 billion, a $1.3 billion increase from FY 2019 funding levels.

- **Title I Grants to School Districts:** The spending agreement provides $16.3 billion, an increase of $450 million from the FY 2019 level. NACo supports full funding for programs under the Elementary and Secondary Education Act including Title I, so that states and local education agencies (LEAs) can fully implement all federal mandates.

- **Special Education:** The legislation includes $13.9 billion for special education, a $417 million increase over FY 2019. This includes $12.8 billion for Individuals with Disabilities Education Act (IDEA) special education grants to states, an increase of $400 million from the FY 2019 level, maintaining the federal share of special education funding to states. NACo supports the goal of available free public education to all children with disabilities, including full funding for IDEA so that states and Local Educational Agencies can meet the law's requirements.

- **Pell Grants:** The maximum Pell Grant award is increased to $6,345, funded by a combination of discretionary and mandatory funds. NACo supports continued funding of Pell Grants, which ensure educational opportunity for all.

U.S. Department of Veterans Affairs (VA)

The Military Construction-Veterans Affairs portion of the FY 2020 spending agreement provides $91.9 billion in discretionary funding for the U.S. Department of Veterans Affairs (VA), an increase of $5.4 billion above the FY 2019 level. This funding will help ensure the nation's veterans receive the quality health, housing and transition benefits they have earned.

- **Homeless Veterans Assistance Programs:** The legislation provides $1.85 billion for the VA's homeless assistance programs, a $47 million increase above FY 2019. This includes $380 million for the Supportive Services for Veteran Families (SSVF) program, level with FY 2019 funding. 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 legislation provides $10.7 billion for Medical Community Care, in addition to the $2 billion allocated in advance appropriations for FY 2019, to pay for care provided to eligible veterans at non-VA community providers. This represents a $2.38 billion increase above the FY 2019 level of $8.38 billion.

- **Veterans Affairs Medical Care:** The spending agreement funds VA medical care at $80.2 billion for FY 2020, a $9.9 billion increase above the FY 2019 level. This funding will allow the agency to provide care to approximately seven million patients in FY 2020. Within this total, $9.4 billion is for mental health services, $222 million is for suicide prevention outreach activities, $585 million is for gender-specific care for women, $402 million is for opioid abuse prevention and $300 million will be directed toward rural health initiatives.

"The spending agreement funds VA medical care at $80.2 billion for FY 2020, a $9.9 billion increase above the FY 2019 level. **This funding will allow the agency to provide care to approximately seven million patients in FY 2020.**

- **Veteran Caregivers Program:** The legislation includes $710 million for the Veteran Caregivers Program in FY 2020, a decrease of $155 million from FY 2019. 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.

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 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 $32.6 billion in the FY 2020 spending agreement, representing an increase of $1.67 billion above FY 2019 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.

- **Supporting State and Local Response to the Opioid Epidemic:** With a continued emphasis placed on addressing our nation's ongoing opioid epidemic, funding for addiction-focused programs under DOJ saw significant increases in funding for FY 2020. Funding for drug courts increased by $3 million to $80 million, veterans' treatment court funding increased by $1 million to $23 million in FY 2020, Prescription Drug Monitoring Programs (PDMPs) funding increased to $30 million, and the Comprehensive Opioid Abuse Program (COAP) was increased by $23 million to $180 million.

- **Byrne Memorial Justice Assistance Grants (JAG):** The agreement provides $547.21 million for the Byrne JAG program, an increase of $123.7 million compared to FY 2019 levels. The Byrne JAG program enables counties among other eligible entities to utilize emerging and evidence-based approaches to the public safety challenges facing their jurisdictions.

- **State Criminal Alien Assistance Program (SCAAP):** The legislation provides a slight increase in funding for the State Criminal Alien Assistance Program (SCAAP) from $243.5 million in FY 2019 to $244 million in FY 2020. SCAAP reimburses states and local governments—including counties—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.

> **The legislation provides a slight increase in funding for the State Criminal Alien Assistance Program (SCAAP) from $243.5 million in FY 2019 to $244 million in FY 2020.** SCAAP reimburses states and local governments—including counties—for the cost of incarcerating undocumented immigrants who have been convicted of certain crimes.

- **Second Chance Act Grants:** Funding for reentry programs authorized through the Second Chance Act is increased by $2.5 million to $90 million in FY 2020. The Second Chance Act was reauthorized through 2023 as part of the criminal justice reform measure, the *First Step Act*. Second Chance Act grants provide counties with the resources to help individuals successfully reintegrate into their communities following their release from incarceration.

- **Grants to State and Local Law Enforcement:** The spending agreement authorized $3.28 billion to DOJ for state and local law enforcement grants, which represents an increase of $245.5 million above FY 2019 levels. This funding is distributed among several critical county programs including $340 million for the Community Oriented Policing Services (COPS) Program; $180 million to address sexual assault kit and other DNA evidence backlogs; $378 million for grant programs to address the opioid crisis; $125 million for the STOP School Violence Act; and $502.5 million for Violence Against Women Act (VAWA) programs.

U.S. Department of Homeland Security (DHS)

Several key grant programs under DHS and Federal Emergency Management Agency (FEMA) receive sizable increases and injections of new funding under the FY 2020 spending agreement. 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.

Federal Emergency Management Agency

- **Disaster Relief Fund:** FEMA's Disaster Relief Fund (DRF) receives $17.86 billion for FY 2020, a $5.2 billion increase compared to FY 2019. The DRF is the primary funding source for federal disaster response and recovery and has required supplemental funding in previous years to meet disaster relief needs associated with federally declared disasters.

FEMA's Disaster Relief Fund (DRF) receives $17.86 billion for FY 2020, a $5.2 billion increase compared to FY 2019. The DRF is the primary funding source for federal disaster response and recovery.

- **Urban Area Security Initiative (UASI):** The legislation provides $665 million for the Urban Area Security Initiative (UASI). This represents a $25 million increase over FY 2019. 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.

- **State Homeland Security Grant Program:** The legislation funds the State Homeland Security Grant Program at $560 million, a $35 million increase over the FY 2019 level. 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 our residents.

- **Emergency Management Performance Grants (EMPG):** Under the FY 2020 spending agreement, Emergency Management Performance Grants (EMPG), a long-standing county priority, receives $355 million in funding. This represents the first funding increase the program has received in a decade. 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.

Under the FY 2020 spending agreement, Emergency Management Performance Grants (EMPG), a long-standing county priority, receives $355 million in funding. **This represents the first funding increase the program has received in a decade.**

- **Flood Hazard Mapping and Risk Analysis:** The legislation provides $263 million for the Flood Hazard Mapping and Risk Analysis Program. This reflects a slight increase of $500,000 from FY 2019. This program is utilized by FEMA to assist local communities in providing accurate flood hazard and risk data to guide mitigation efforts.

- **National Flood Insurance Fund:** FEMA's National Flood Insurance Fund receives $206.7 million in funding under the spending agreement, following significant flooding in several states in 2019. This funding level represents a $4.7 million increase above the FY 2019 level. 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.

- **National Flood Insurance Program (NFIP) Extension:** The spending agreement extends the authorization of the National Flood Insurance Program (NFIP) through September 2020 to provide members of Congress further opportunity to negotiate a long-term reauthorization bill. NFIP provides flood insurance coverage to homes and businesses in more than 90 percent of counties throughout the country. NFIP has continued to operate under a series of short-term extensions since 2013.

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 our jurisdictions, counties 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.

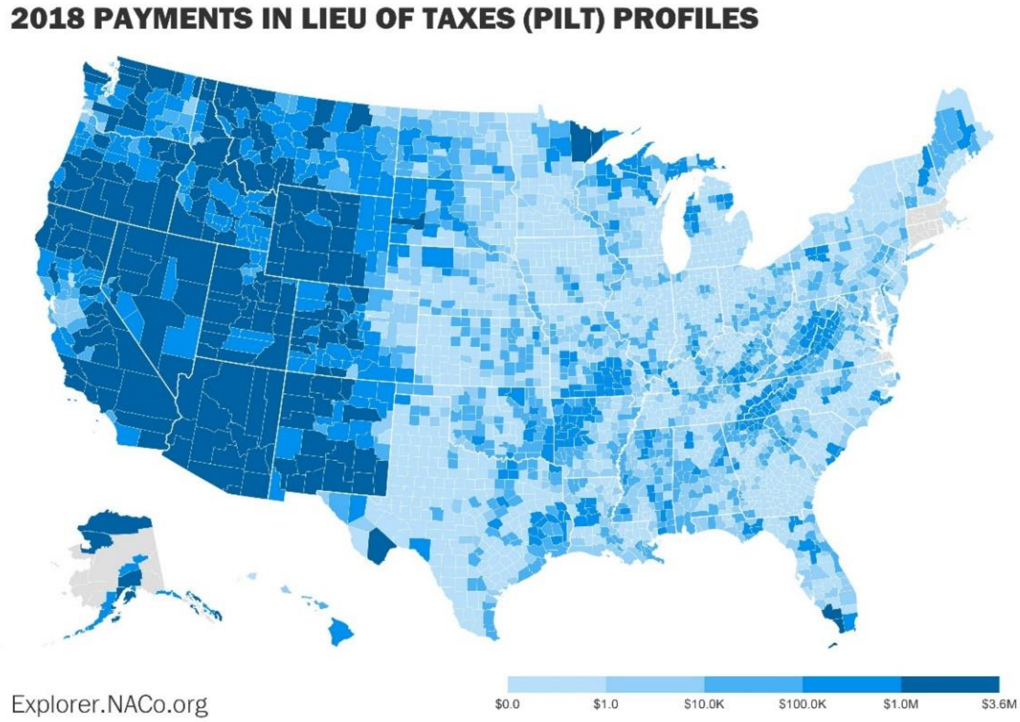
Payments In-Lieu of Taxes (PILT) and Secure Rural Schools (SRS)

- **Payments in Lieu of Taxes:** The Payments in Lieu of Taxes (PILT) program is fully funded at around $515 million with the same mandatory funding language as FY 2019. 1,900 counties nationwide receive PILT payments. Counties are not able to 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.

> The spending agreement fully funds the Payments in Lieu of Taxes (PILT) program and reauthorizes the Secure Rural Schools (SRS) program for two-years.

- **Secure Rural Schools:** The Secure Rural Schools (SRS) program is reauthorized for two years – 2019 and 2020 – under the spending agreement. Across the country, 720 federal forest counties and 9 million school children depend on these payments to make up for lost timber revenues from federal public lands. 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 counties until we can fully transition local economies and implement productive forest management practices.

ACROSS THE COUNTRY, 1,900 COUNTIES NATIONWIDE RECEIVE PILT PAYMENTS



U.S. Department of Interior (DOI)

The U.S. Department of the Interior (DOI) is funded at $13.5 billion, $545 million above the FY 2019 level.

Wildfire Fighting and Prevention

- **DOI Wildland Fire Management:** For the U.S. Department of the Interior, the bill provides $952 million in funding for Wildland Fire Management, an increase of $11 million above the FY 2019 level. Additionally, beginning in FY 2020, DOI will have access to new wildland fire funding through a budget cap adjustment, which would provide an additional $300 million for suppression costs. This adjustment will end fire-borrowing, the process by which land management agencies must pull funds from management accounts to meet suppression needs. This will ensure the funds appropriated for wildfire prevention and land management will stay in those accounts for those purposes.

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Land and Water Conservation Fund

- **The Land and Water Conservation Fund (LWCF):** The Land and Water Conservation Fund (LWCF) is funded at $495 million, a $57 million increase compared to FY 2019. Of this overall amount, $258 million of the LWCF appropriation is reserved for the State and Local Programs, a $9 million increase, while the Federal Land Acquisition account is increased by $48 million to $237 million.

Bureau of Land Management

The Bureau of Land Management (BLM) is funded at $1.4 billion under the spending agreement, $24 million above the FY 2019 level.

- **BLM Land Acquisition:** The legislation includes $32 million for BLM Land Acquisition, representing a $4 million increase compared to FY 2019. 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.

- **Sage Grouse Conservation:** The spending agreement increases funding for sage grouse conservation and habitat management by $4 million to $72 million.

- **Wild Horse and Burro Program:** The legislation provides $101 million for the BLM's Wild Horse and Burro Program, a $20 million increase compared to FY 2019. *Additionally, the bill report directs the BLM to develop a report to Congress on its strategy for non-lethal herd population control. The report "shall include no less than five consecutive years of detailed expenditure estimates."* The plan must also include a thorough discussion of the BLM's proposed management of the strategy's logistics, including staffing needs, holding facility access and the availability of fertility control resources.

U.S. Fish and Wildlife Service (USFWS)

The U.S. Fish and Wildlife Service (USFWS) is funded at $1.6 billion, a $66 million increase compared to FY 2019. Of this amount, $40 million is directed toward decreasing the National Wildlife Refuge System deferred maintenance backlog.

- **USFWS Land Acquisition:** The USFWS Land Acquisition account is funded at $71 million. This is a $6 million increase compared to FY 2019.

- **Lesser Prairie Chicken (LPC):** The legislation report directs the USFWS "to collaborate with local and regional stakeholders on improving voluntary solutions to conserve the species with the goal of avoiding the necessity of listing the LPC under the Endangered Species Act."

- **Sage-Grouse Endangered Species Rider:** The legislation 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 National Park Service (NPS) funding increased by $155 million to $3.38 billion for FY 2020. The operation of the National Park System received a $24.6 million increase to a total of $389.3 million, and much of the increased spending is targeted toward specific high-priority projects listed by the NPS. 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 spending agreement provides $3.13 billion for the U.S. Forest Service's non-fire accounts, an increase of $50 million compared to the FY 2019 level.

- **USFS Wildland Fire Management:** FY 2020 funding for wildland fire suppression and preparedness is decreased by $8 million to $2.96 billion. Additionally, beginning in FY 2020, the Forest Service will have access to new wildland fire funding through a budget cap adjustment, which would provide an additional $1.95 billion.

- **Hazardous Fuel Treatments**: The legislation provides $445.3 million for hazardous fuel treatments, an increase of $8 million compared to FY 2019. Hazardous fuel removal and increased fire suppression improve the landscape, reduce the threat of wildfire, protect watersheds and lessen the need for emergency services.

- **USFS Land Acquisition:** The spending agreement allocates $79 million for National Forest System land acquisition, an increase of $6.3 million compared to FY 2019.

- **Grazing Management:** The grazing management line-item remains level at $57 million under the spending agreement. Additionally, the legislation directs the USFS and BLM to make vacant grazing allotments available to current permittees or lessees when current allotments become unusable due to drought or wildfire. These provisions aim to keep the federal grazing system consistent and predictable for ranchers.

TRANSPORTATION AND INFRASTRUCTURE

Counties are an essential operator and owner 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, almost 40 percent of the National Bridge Inventory, 78 percent of America's public transit systems and are involved in the operation of 34 percent of the nation's public airports.

U.S. Department of Transportation (DOT)

The FY 2020 spending agreement provides $74.27 billion in total budgetary resources for programs under the jurisdiction of the U.S. Department of Transportation (DOT) and the U.S. Department of Housing and Urban Development (HUD), combined as T-HUD.

This is an increase of $3.2 billion above FY 2019 levels. Of this, the legislation provides $24.8 billion in discretionary funding and $61.3 billion in obligation limits to DOT, a decrease of almost $325 million from the FY 2019 level.

Highway Funding

The legislation allocates $46.3 billion from the Highway Trust Fund to be spent on the Federal-Aid Highways Program, roughly $300 million higher than FY 2019 levels. This funding is consistent with the levels authorized in the current surface transportation authorization, the *Fixing America's Surface Transportation (FAST) Act of 2015* (P.L. 114-94). Counties rely on this funding to maintain a strong federal-state-local partnership for the construction, operation and maintenance of America's infrastructure.

- **Federal Highway Administration:** The legislation provides $2.2 billion in FY 2020 discretionary appropriations for highway programs through the Federal Highway Administration (FHWA), a $1.1 billion decrease compared to FY 2019. Of this amount, $781 million is directed to the Surface Transportation Block Grant Program and infrastructure along alternative fuel corridors. $1.15 billion is included for a bridge repair and rehabilitation program, an increase of $675 million over the FY 2019 level. Qualifying states must have at least five percent of all bridges classified as in poor condition. *In addition, report language accompanying the bill directs $5 million to a new program that "will assist local governments in developing improved infrastructure priorities and financing strategies" for projects that are already eligible for funding through the U.S. Department of Transportation loan program known as Transportation Infrastructure Finance and Innovation Act, or TIFIA.*

- **BUILD Grant program:** The spending agreement provides $1 billion for National Infrastructure Investment Grants, also known as BUILD grants. BUILD grants provide flexible, competitive funding directly to counties that can be used to construct, operate and maintain local infrastructure. FY 2020 funding for BUILD is consistent with FY 2019 levels.

> **The spending agreement provides $1 billion for BUILD grants,** which provide flexible, competitive funding directly to counties that can be used to construct, operate and maintain local infrastructure.

- **Transportation, Planning, Research, and Development:** The legislation provides approximately $10.88 million for planning, research and development activities, including $1 million for expenses of the Interagency Infrastructure Permitting Improvement Center (IIPIC). The IIPIC seeks to further streamline the federal permitting process, a major priority of both the administration and counties. This is an almost $3 million increase from the FY 2019 level. *The legislation also directs $1 million for a new transportation resilience metrics study that incorporates local governments to identify effective ways to measure the resilience of transportation systems to natural disasters.*

Rail and Transit Funding

The Federal Railroad Administration (FRA) is funded at $2.8 billion for FY 2020, which is consistent with the FY 2019 level. The Federal Transit Administration (FTA) received $13.4 billion for FY 2020, a decrease of about $400 million from FY 2019 spending levels.

- **Amtrak:** The legislation provides $2 billion for Amtrak, $58.4 million above the FY 2019 level. Counties believe Congress should continue to provide subsidies to Amtrak at levels consistent with maintaining reasonable levels of service and to provide necessary capital improvements with appropriate accountability controls.

- **Restoration and Enhancement Grants:** The legislation provides $2 million for Restoration and Enhancement Grants to improve railway systems. This represents a $3 million decrease below FY 2019.

- **Transit Formula Grants:** The legislation provides $10.1 billion for Transit Formula Grants, an increase of roughly $200 million above the FY 2019 level. These grants help local communities build, maintain and ensure the safety of their mass transit systems. In addition to the $10.1 billion, an additional $510 million is provided for these grants from the general fund. The general fund transfer represents a decrease of $190 million from FY 2019.

- **Consolidated Rail Infrastructure and Safety Improvements (CRISI) Grant Program:** The legislation provides $255 million for the CRISI Grant Program, consistent with the FY 2019 level. These grants leverage local, state and private investments to boost a wide range of rail projects, including for implementing positive train control, improving highway-rail grade crossings, mitigating congestion, repairing or replacing railroad assets and enhancing intercity passenger rail transportation. *Report language also directs the Federal Railroad Administration to "work with local officials to examine the causes and effects of blocked railroad crossings in order to make recommendations to address the issue."*

Federal Aviation Administration (FAA)

The legislation includes $17.6 billion in total budgetary authority for the Federal Aviation Administration (FAA), an increase of roughly $100 million above FY 2019. 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 central role in the nation's air transportation system and are directly involved with 34 percent of all publicly owned airports in the U.S.

- **Next Generation Air Transportation Systems (NextGen):** The legislation provides $61.5 million for NextGen programs, which represents a slight increase of $280,000 over FY 2019 levels. These investments help ease future congestion and reduce delays for travelers in U.S. airspace.

- **Essential Air Service (EAS) program:** The legislation provides $162 million for the Essential Air Service (EAS) program, a decrease of $13 million below the FY 2019 level. The EAS program was established to ensure that small community airports served by air carriers prior to airline deregulation maintain a minimal level of scheduled air service that is often vital to local economies.

- **Small Community Air Service Development Program (SCASDP):** The legislation includes $10 million for the Small Community Air Service Development Program (SCASDP), consistent with FY 2017 – FY 2019 program levels. 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.

- **Airport Improvement Program (AIP):** The Airport Improvement Program (AIP) is funded in total at $3.35 billion in FY 2020, a decrease of $150 million from FY 2019. In addition to the $3.35 billion, $400 million will also be transferred to AIP from the general fund. AIP strengthens our nation's aviation infrastructure by funding airport infrastructure projects such as runways, taxiways, airport signage, airport lighting, and airport markings. Airports are entitled to a certain amount of AIP funding each year, based on passenger volume.

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> The Airport Improvement Program (AIP) is funded in total at $3.35 billion in FY 2020, **a decrease of $150 million from FY 2019.**

Maritime Infrastructure

The spending agreement provides $1 billion for the Maritime Administration (MARAD), a $67.5 million decrease from FY 2019. Counties own and operate several ports throughout the nation that play a vital role in America's transportation network.

- **Port Infrastructure Development Program:** The legislation provides $225 million for the Port Infrastructure Development Program in FY 2020, a decrease of $63 million from FY 2019. This program was not previously appropriated prior to FY 2019. Eligible projects include, but are not limited to, highway or rail infrastructure that develops or extends intermodal connectivity, intermodal facilities, marine terminal equipment, wharf construction or redevelopment, vessel alternative fueling access and distribution, fuel efficient cargo handling equipment, freight intelligent transportation systems and digital infrastructure systems.

- **Small Shipyard Grants:** Consistent with the FY 2019 funding level, this legislation provides $20 million for Small Shipyard Grants. These grants are designed to support small shipyard projects that make capital and related improvements or that expand workforce training. Shipyard facilities are considered the only eligible entities and must not have more than 1,200 employees to qualify.

Transportation Safety Programs

The legislation contains funding for various transportation safety programs and subagencies within the U.S. Department of Transportation. Safety is always at the forefront of local decision-making and is an area where a strong federal-state-local partnership is critical. Consideration for the safety of our communities remains paramount for local officials.

- **National Highway Traffic Safety Administration (NHTSA):** The spending agreement provides $989 million in total appropriations for the National Highway Traffic Safety Administration (NHTSA), an increase of just over $22.5 million from FY 2019 levels.

- **Pipeline and Hazardous Materials Safety Administration (PHMSA):** The Pipeline and Hazardous Materials Safety Administration (PHMSA) is funded at $281 million, an increase of $3 million above the FY 2019 level.

- **Federal Motor Carrier Safety Administration (FMCSA):** The legislation provides $679 million, a $12 million increase over FY 2019, for the Federal Motor Carrier Administration. It also continues the delay on electronic logging device (ELD) enforcement for livestock haulers.