LEGISLATIVE BRIEF

The FY 2014 Omnibus: Highlights from the County Perspective

Updated Jan. 17, 2014

Background

In recent years, as partisan battles over federal spending have intensified, Congress has been unable to enact any stand-alone appropriations bills through the regular appropriations process. In fact, no individual spending bills have been enacted through the regular process since 2009.

Instead, Congress has relied on year-end omnibus appropriations measures (that combine some or all of the 12 annual spending bills) or continuing resolutions (which fund federal government programs and agencies at prior-year spending levels) to complete the annual appropriations process.

For example, Congress did not complete the FY 2011 (the fiscal year that began on Oct. 1, 2010) appropriations process until April 2011 when, after an agreement was reached between Republicans and President Obama to cut spending, Congress enacted an omnibus measure (P.L. 112-10) that provided a full, detailed spending bill for Defense but a year-long continuing resolution for the other 11 spending bills.

In FY 2012, after Congress and President Obama reached agreement on a debt limit increase/deficit reduction measure (the 2011 Budget Control Act, or P.L. 112-25), Congress finished the appropriations process by passing two separate omnibus measures—a three-bill "minibus" enacted in Nov. 2011 (P.L. 112-55) and a nine-bill omnibus enacted in Dec. 2011 (P.L. 112-74).

In FY 2013, Congress enacted a year-long continuing resolution after agreement could not be reached on whether to roll back and replace the automatic spending cuts (sequestration) triggered by the 2011 Budget Control Act. Spending for FY 2013 was set in March 2013 through an omnibus (P.L. 113-6) that included appropriations for five spending bills and a year-long continuing resolution for the remaining seven bills. The $1.043 trillion discretionary total in that measure was then reduced by sequestration to $988 billion—which prompted federal departments and agencies to impose furloughs and implement other cost-saving measures.

Key Elements of the Omnibus

- Funds the federal government for FY 2014
- Combines all 12 annual appropriations bills into one bill
- Totals $1.012 trillion
- Provides a 2.6 percent increase in discretionary spending
- Restores most of the funding cut by the sequester

By the beginning of FY 2014 (in Oct. 2013), Congress had not yet completed the annual appropriations process—primarily due to major disagreements between the House and Senate on sequestration and overall caps on discretionary spending.

House appropriators drafted their appropriations bills with a discretionary spending cap of $967 billion and kept the sequester in place. Senate appropriators, on the other hand, ignored the sequester and drafted their appropriations bills under the discretionary spending cap of $1.058 trillion.

As a result of these substantial differences, the appropriations process ground to a halt and caused a 16-day government shutdown. Congress ended the shutdown by funding the government through Jan. 15 and suspending the statutory debt limit through Feb. 7. As part of that deal (P.L. 113-46), a formal House-Senate conference committee negotiated discretionary spending caps for FY 2014 and FY 2015, partially rolling back the sequester in each of those years.

Soon after that negotiation, Congress passed a new Bipartisan Budget Act (P.L. 113-67), which increased the cap on FY 2014 discretionary spending by $45 billion to $1.012 trillion and increased the cap on FY 2015 discretionary spending by $18 billion to $1.014 trillion. Congressional leaders are hopeful that this deal will spur Congress to return to "regular order" for considering annual appropriations bills.

Quotes from Appropriations Leaders on the Omnibus:

House Appropriations Committee Chairman Hal Rogers (R-Ky.)
"The bill reflects careful decisions to realign the nation's funding priorities and target precious tax dollars to important programs where they are needed the most. At the same time, the legislation will continue the downward trend in federal spending to put our nation on a sustainable fiscal path."

Senate Appropriations Committee Chairman Barbara Mikulski (D-Md.)
"This agreement shows the American people that we can compromise, and that we can govern. It puts an end to shutdown, slowdown, slamdown politics."

About the FY 2014 Omnibus

With just days remaining until the expiration of the continuing resolution that funded the federal government through Jan. 15, House and Senate appropriators released a $1.012 trillion omnibus spending package (H.R. 3547), on Jan. 13, that would fund the federal government through the remainder of FY 2014. The nearly 1,600-page spending plan combines all 12 FY 2014 appropriations bills and would provide an overall 2.6 percent increase in discretionary spending from the FY 2013 levels. Under the Budget Control Act (which set the sequester into motion), spending for FY 2014 was scheduled to fall to $967 billion, but the omnibus adopts the new cap of $1.012 trillion.

Timeline

To give both chambers additional time to consider the omnibus, the House and Senate (on Jan. 14 and 15 respectively), passed a short-term "clean" extension of current funding levels to keep the government operating through the weekend of Jan. 18. The House passed the omnibus on Wednesday, Jan. 15 and the Senate followed suit on Thursday, Jan. 16.

Policy Riders in the Omnibus

The omnibus did not address several controversial policy issues, such as the Affordable Care Act (P.L. 111-148, 111-152) and the U.S. Environmental Protection Agency's carbon regulations, that have kept appropriations action in limbo. There were, however, several policy riders that were included:

- **Flood Insurance Premiums**: The omnibus includes language that would temporarily delay flood insurance premium increases for properties that face increases due to remapping. If such properties are sold, the delay would no longer apply.

- **Military Pension "Fix"**: The omnibus amends the Ryan-Murray budget agreement to exempt disabled veterans and surviving military families from having their cost-of-living benefits temporarily reduced.

- **Reports on NSA Surveillance**: The omnibus requires the National Security Agency (NSA) to provide Congress with new details on the government's collection of domestic phone records.

- **Abortion Riders**: The measure includes several long-standing abortion riders that have been carried in previous spending bills, including the Hyde amendment—which bans Medicaid coverage for abortions, except in certain circumstances—and a provision that would continue to ban the use of public funding for abortions for federal prisoners and within the District of Columbia.

- **U.S. Department of Energy Light Blub Standards**: The omnibus blocks the U.S. Department of Energy from implementing or enforcing the phase out of incandescent light bulbs.

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- **Coal Plants Abroad**: The omnibus prohibits the U.S. Export-Import Bank and Overseas Private Investment Corporation from cutting financing for power plants that do not curb carbon emissions.

- **Yucca Mountain**: The omnibus includes a provision that continues a review of the proposed nuclear waste facility at the Yucca Mountain in Nevada.

- **Guantanamo Detainees**: The omnibus stops the transfer or release of Guantanamo detainees in the U.S.

Transportation and Infrastructure Highlights

County Role in Transportation

Counties are an essential part of the nation's infrastructure. 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. Counties annually invest $106.3 billion in building infrastructure and maintaining and operating public works. Counties own and maintain 45 percent of America's roads and bridges, are involved in 27 percent of public transit systems, and own or sit on governing authorities that operate over one-third of the nation's airports.

Highway and Transit Funding Reflects MAP-21 Levels

The omnibus includes non-discretionary obligation limitation funding (the amount that can be obligated from the Highway Trust Fund for the programs authorized by MAP-21) for federal highway and transit programs that is consistent with the amounts authorized in MAP-21. Specifically, $41 billion in obligation limitation is provided for the federal highway program and $8.6 billion is included for mass transit.

- **Highway Funding**: The omnibus provides $41 billion in obligation limitation funding for the Federal Highway program, consistent with levels authorized through MAP-21. This represents an increase of $557 million from the FY 2013 level.

- **Transit Funding**: The omnibus provides $8.6 billion from the Mass Transit Account of the Highway Trust Fund—the same level authorized in MAP-21—and $2.15 billion in discretionary funding for the Federal Transit Administration, which includes $1.943 billion in new funding for Capital Investment Grants. In addition, the omnibus directs $190 million in unobligated and unexpended funds from prior fiscal years for a total of $2.132 billion for FY 2014 Capital Investment Grant projects. This represents an overall increase of $276 million from FY 2013.

- **TIGER funding**: The omnibus includes $600 million for the Administration's signature TIGER grant program, which provides funding to states, local governments and transit authorities for highway, bridge, passenger and freight rail and port infrastructure investments. This exceeds both the post-sequestration FY 2013 enacted level ($474 million) and the amount requested in the President's FY 2014 budget ($500 million).

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Federal Aviation Administration Will See $168 Million Cut

The omnibus provides $12.4 billion to the Federal Aviation Administration (FAA), a reduction of $168 million from FY 2013. The bill would also reject the Administration's proposal to increase Passenger Facility Charges.

- **Airport Infrastructure**: The omnibus includes $3.35 billion in obligation limitation for Grants-in-Aid for airports (Airport Improvement Program), which would include $5 million to continue the Small Community Air Service Development Program (SCASDP). The amount available for SCASDP represents a $1 million decrease from FY 2013. The bill would also allow small airports to continue contributing five percent of the total cost for unfinished phased projects that were underway prior to the passage of the most recent FAA bill (the FAA Modernization and Reform Act of 2012 increased the cost share from five to ten percent).

- **Payments to Air Carriers:** The omnibus provides a total of $249 million for the Essential Air Service Program, which includes $149 million in appropriations and approximately $100 million

in over flight fees. The bill further provides that none of these funds shall be used for contracts with communities located less than 40 miles from the nearest small hub airport unless the locality negotiates an agreement to share costs.

No Funding Provided for High Speed Rail

The omnibus provides $1.6 billion for the Federal Railroad Administration (FRA), a decrease of $34.6 million from the FY 2013 post-sequestration enacted level. This amount includes $340 million in operating grants and $1.05 billion for capital and debt service grants to Amtrak. The amount available for the FRA does not include any of the Administration's requested funding for High Speed Rail.

Army Corps Receives Increased Funding for Water Infrastructure

Under the omnibus, the U.S. Army Corps of Engineers (Corps) receives $5.5 billion, which is an increase of $495 million from the FY 2013 post-sequestration enacted level (excluding Sandy relief), in order for the agency to continue to focus on flood control and navigation projects. This includes more than $1 billion from the Harbor Maintenance Trust Fund, an increase of $300 million from previous fiscal years.

- **General Investigations**: $125 million is provided to conduct reconnaissance studies, which is an increase of $7 million from FY 2013 (post-sequestration). The bill also provides that there be no more than nine new study starts during FY 2014 and that those studies be balanced across the Corps main mission areas (navigation, flood and storm damage reduction, and environmental restoration)—all of these studies are to be chosen by the Corps.

- **Construction Funding:** $1.656 billion is provided for the construction of river and harbor, flood and storm damage reduction, shore protection and aquatic ecosystem restoration projects, which is an increase of $69 million from FY 2013 (post-sequestration). The Corps is also directed to spend 25 percent of this amount on the Olmsted Lock and Dam and be limited to initiating no more than four new projects in FY 2014.

- **Operations and Maintenance:** $2.861 billion is provided for the operation and maintenance of existing projects, which is an increase of $575 million from FY 2013 (post-sequestration).

- **Mississippi River and Tributaries:** $307 million would be available for flood damage reduction projects in the Mississippi River alluvial valley, an increase of $68 million from FY 2013 (post sequestration).

- **Flood Control and Coastal Emergencies:** $28 million would be provided to prepare for flood, hurricane, and other natural disasters to support emergency operations, repairs, and other activities.

Census Bureau's American Community Survey Remains Intact

Funded within the Commerce, Justice, Science and Related Agencies Appropriations, the U.S. Census Bureau receives $945 million for operations in FY 2014 under the omnibus. Although less than the President's FY 2014 budget request, this amount is expected to be enough to continue the American Community Survey (ACS), which is conducted every year by the Census Bureau.

The ACS, sent to a small percentage of the nation's population, seeks to collect current data on local communities every year as opposed to every 10 years in the decennial census. The data collected is important to various stakeholder groups in both the business and government communities. NACo

supports implementation of the ACS, as it helps determine emerging local and regional trends that assist in planning. Furthermore, the survey data is used to decide how over $400 billion in federal and state funds are distributed each year.

Health and Human Services

County Role in Health and Human Services

Counties create support systems to keep Americans healthy from the time they are born until they grow old. Counties provide public health information, clinical services, behavioral health services, children's care and 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 the health care providers in their jurisdiction. Counties invest $69.7 billion annually in public health services and hospital facilities providing in-patient medical care. From preventative measures like administering flu shots to educating the public on health issues, counties are involved in providing healthcare through more than 1,550 health departments.

Prevention and Public Health Fund
In FY 2013, HHS diverted over $450 million from the PPHF to support the ACA health insurance exchanges. NACo objected to that move and strongly supports allocating PPHF resources according to its original intent, especially to those programs that support county prevention and public health work.

Counties also support 960 hospitals that provide clinical services, cancer and cardiac care, and emergency and trauma care, serving more than 14 million patient days annually. By operating 76 percent of publicly owned nursing homes nationally, counties promote quality of life and wellness to the elderly.

U.S. Department of Health and Human Services (HHS) Health Program Funding is Increased

The omnibus funds the National Institutes of Health (NIH) at $29.9 billion, an increase of $1 billion over the FY 2013 post-sequestration level. The Centers for Disease Control and Prevention (CDC) is set to receive $6.9 billion, $368 million above the FY 2013 level. The negotiators avoided most of the hot button issues that have kept Congress from completing the Labor-HHS-Education appropriations bill for the past two years, agreeing to provide roughly level funding for activities and programs under the Affordable Care Act (ACA) and avoiding new contraception or abortion riders.

- **Prevention and Public Health Fund**: For the first time since the Fund's enactment as part of the ACA, the omnibus fully allocates the mandatory funding available through the Prevention and Public Health Fund (PPHF) – $1 billion in FY 2014. The bulk of the funding, $831 million, is slated to go to CDC programs.

  Absent Congressional direction while operating under a series of CRs, HHS allocated the funds at its discretion. In FY 2013, the agency diverted over $450 million from the PPHF to support the ACA health insurance exchanges. NACo objected to that move and strongly supports allocating PPHF resources according to its original intent, especially to those programs that support county prevention and public health work.

- **Substance Abuse and Mental Health**: County behavioral health authorities receive funding from the Substance Abuse and Mental Health

Services Administration (SAMHSA), primarily through two major block grants:

- The Substance Abuse Prevention and Treatment (SAPT) Block Grant is funded at over $1.8 billion under the omnibus, and appropriators also included language sought by NACo that blocks the agency from redirecting a portion of the block grant to research and evaluation.

- The bill allocates $484 million for the Mental Health Block Grant, a $47 million increase over FY 2013 levels, and requires a new five percent set-aside for early intervention programs for persons with serious mental illness such as psychosis.

Negotiators also included over $100 million in funding for the President's "Now is the Time" initiative, which was developed to support mental health programs in response to the Newtown tragedy.

Human Services Funding Avoids Major Cuts

The omnibus largely spares the programs counties use to provide human services to vulnerable members of their communities. It extends the $16 billion Temporary Assistance for Needy Families (TANF) Block Grant through the end of the fiscal year. It also provides level funding for the Social Services Block Grant at $1.7 billion.

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- **Head Start:** The Head Start program receives $8.6 billion, an increase of $1 billion over FY 2013 funding, which restores the sequester cut and adds a 1.3 percent cost of living increase. This funding includes $500 million for Early Head Start.

- **Child Care and Development Block Grant:** The Child Care and Development Block grant receives $2.36 billion for the discretionary portion, an increase of $37 million from pre-sequester FY 2013 levels.

- **Low-Income Home Energy Assistance:** The Low-Income Home Energy Assistance Program (LIHEAP) is funded at $3.425 billion, an increase of $169 million over FY 2013 levels.

- **Community Services Block Grant:** The Community Services Block Grant, a NACo-supported program which had been a target for cuts, is funded at $710 million, the same as FY 2013 pre-sequestration levels.

- **Refugee Assistance:** Refugee Assistance programs receive an overall funding level of almost $1.5 billion, which is an increase of $363 from the President's FY 2014 request. Transitional and Medical Services continue to be funded at $391 million. The biggest increase in funding is for the Unaccompanied Refugee Minor Program (URM), which nearly doubles to $868 million. The reason for this increase is that 60,000 unaccompanied minors, many of whom end up in state and county foster care programs, are expected to cross the border this year due to conflicts around the world.

Administration for Community Living Funding Increased

The omnibus provides $1.6 billion for the U.S. Department of Health and Human Services' (HHS) Administration for Community Living (formerly the Administration on Aging), an increase of $57 million over FY 2013 levels. Specific programs relied on by counties to help seniors and people with disabilities stay out of institutional care and live in their communities include:

- **Congregate Meals**: Congregate Meals are funded at $438.2 million, an increase of $22.1 million from FY 2013 before sequestration.

- **Home-Delivered Meals**: The Home-Delivered Meals program receive $216.4 million, a slight increase from FY 2013.

- **Supportive Services and Centers**: Supportive Services and Centers are funded at $347.7 million, level with FY 2013.

- **Family Caregiver Support Services**: Family Caregiver Support services are slated to receive $145.6 million, level with FY 2013 after sequestration.

Justice and Public Safety

County Role in Justice and Public Safety

Maintaining safe communities is one of the most important functions of county governments. Most counties are involved in almost every aspect of law enforcement and crime prevention, including policing, corrections, and judicial and legal services. Counties invest $70.2 billion annually in providing justice and public safety services to their residents. Almost half of the investment—$30.2 billion—is dedicated to police and sheriff departments.

Counties also invest $16.7 billion annually in county civil and criminal courts and legal services like prosecuting and district attorneys, indigent defense, and child support enforcement. Further, counties invest $23.3 billion annually in the operation, construction and maintenance of county jails that received the majority of the 11.6 million admissions to local jails in 2012.

FEMA State and Local Programs See Slight Increase in Funding

The omnibus provides $1.5 billion for the U.S. Department of Homeland Security's (DHS) Federal Emergency Management Administration (FEMA) state and local programs, an increase of $230 million from the FY 2013 enacted level but roughly $600 million less than the President's FY 2014 request.

> ***"Emergency Management Performance Grants and Firefighter Assistance Grants saw no change from the FY 2013 enacted levels; they would be funded at $350 million and $680 million, respectively."***

Emergency Management Performance Grants and Firefighter Assistance Grants saw no change from the FY 2013 enacted levels; they are funded at $350 million and $680 million, respectively.

- **UASI**: The omnibus provides $587 million for the Urban Area Security Initiative (UASI). This represents a $97 million increase from FY 2013.

- **State Homeland Security Grant Program**: The omnibus provides $411 million for the State Homeland Security Grant Program, which represents an increase of roughly $65 million above FY 2013.

- **FEMA Mitigation Programs**: The omnibus provides $6.2 billion for Disaster Relief, a decrease of roughly $800 million from FY 2013. Additionally, Pre-Disaster Mitigation Grants are funded at $25 million, nearly level with FY 2013.

- **Flood plain management and flood mapping**: Under the National Flood Insurance Fund, the omnibus provides $154 million for flood plain management and flood mapping—which will remain available until September 30, 2015. This represents nearly level funding from the FY 2013 enacted level.

- **Training, exercises and technical assistance**: The omnibus provides $233.7 million to sustain current operations for training, exercises, technical assistance and other programs. Of the $233.7 million, $162.9 million is reserved for training of state, local and tribal emergency response providers.

Department of Justice Programs

The omnibus provides total resources of $27.7 billion for the U.S. Department of Justice, including the following levels of funding for individual programs:

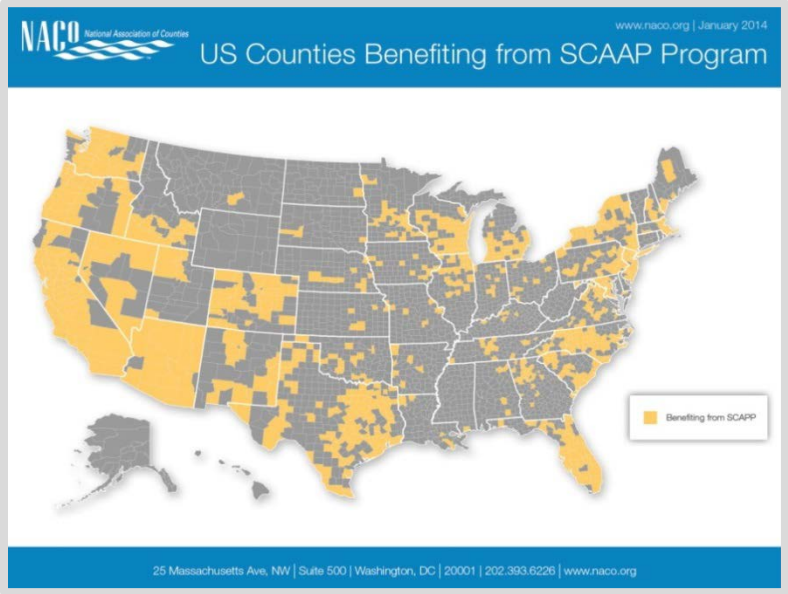
- **Justice Reinvestment Initiative (JRI)**: The Justice Reinvestment Initiative receives $27.5 million, a significant increase of almost $22 million over the amount allocated in FY 2013. This is intended to accommodate additional state participation and enhance implementation in existing JRI states.

- **State Criminal Alien Assistance Program (SCAAP)**: The omnibus would fund SCAAP at $180 million, $62 million below the FY 2013 level of $242 million. The bill states "that no jurisdiction shall request compensation for any cost greater than the actual cost for Federal immigration and other detainees housed in State and local detention facilities."

  SCAAP reimburses states and local governments for the cost of incarcerating undocumented immigrants who have been convicted of felonies or at least two misdemeanor offenses and have been jailed for a minimum of four consecutive days. *As the map below shows, many counties across the U.S. that rely on SCAAP funding will be impacted by these cuts.*

- **Byrne Memorial Justice Assistance Grants (JAG):** The omnibus provides $376 million, $16 million below the FY 2013 level (pre-sequester).

- **Criminal History Records and NICS**: The omnibus provides the National Criminal History Improvements Program and the National Instant Criminal Background Check System (NICS) with $58.5 million and $12 million, respectively, to help state and local governments add more records to the system—particularly mental health records. This represents a $53 million increase for the National Criminal History Improvements Program over FY 2013 funding. NICS funding is level with FY 2013.



- **COPS funding**: Funding for the Community Oriented Policing Services is set at $214 million, $2 million more than in FY 2013 (post-sequestration).

- **Second Chance Act grants**: Second Chance Act grants are funded at $68 million under the omnibus, basically level with the FY 2013 level.

- **Drug courts**: Funding for drug courts is set at $40.5 million, a $2 million increase over FY 2013 post-sequestration levels.

- **Crime Victims Fund**: The cap on the Crime Victims Fund is raised to $745 million under the omnibus, a $15 million increase over FY 2013 levels.

- **Violence Against Women Act (VAWA) Programs**: The omnibus provides level funding for VAWA programs at $417 million, with the STOP grants funded at $193 million, a $13 million increase from FY 2013 after sequestration.

- **Office of Juvenile Justice Delinquency Prevention (OJJDP)**: The OJJDP is funded at $255 million under the omnibus, down $11 million from FY 2013 after sequestration.

- **The Juvenile Accountability Block Grant (JABG)**: The omnibus terminates funding for JABG but allows up to $10 million from Part B formula funds to be used for activities that had previously been funded through JABG.

- **Residential Substance Abuse Treatment**: Residential Substance Abuse Treatment programs would receive $10 million, $2 million less than the FY 2013 level.

- **Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)**: ATF would be funded at $1.18 billion, which is $49.6 million more than the FY 2013 level of funding.

Economic Development and Workforce Highlights

County Role in Economic Development

On behalf of their communities and citizens, counties invest $25.6 billion annually in economic planning, housing development and collaboration with businesses to improve the local economy. 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 their communities.

For example, counties leverage Community Development Block Grants (CDBG) from the U.S. Department of Housing and Urban Development (HUD) with private and non-profit funding to address a number of local needs, such as affordable housing and bottlenecks in economic development. Many counties develop agreements with other state and local governments, nonprofit organizations and private businesses to promote economic growth in their region. Counties are the fundamental platform for collaboration in building regional and state economies as well as the U.S. economy.

Community Planning and Development Programs

The ability of counties to carry out their vital work in the arena of economic development may be compromised by cuts contained in the omnibus. HUD's community planning and development programs would be cut by $145 million to $6.6 billion.

- **CDBG**: The omnibus provides $3.03 billion for the Community Development Block Grant (CDBG) program, which is $211 million less than the 2013 pre-sequestration level. 20 percent of any awarded grant can be used for administrative costs. Counties use CDBG to fund vital community and economic development programs.

- **HOME**: The omnibus includes $1 billion for the HOME Investment Partnerships program, which is a $2 million increase from the FY 2013 pre-sequestration level. Counties use HOME to fund critical housing programs for extremely low-income families.

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Homeless and Housing Voucher Programs Funding Increased

Under the omnibus, Homeless Assistance Grants are funded at $2.1 billion, a slight increase from the FY 2013 level of over $2 billion. Section 8 Housing Choice Vouchers are funded at $19.2 billion, an increase from $18.9 billion in FY 2013. This would include $75 million for HUD Veteran's Affairs Supportive Housing (VASH) grants. Section 8 project based vouchers would increase from $8.9 billion in FY 2013 to $9.5 billion in FY 2014.

Economic Development Administration Funding Increased

The omnibus provides $247 million in funding for the U.S. Department of Commerce's Economic Development Administration (EDA), a $26 million increase above FY 2013 pre-sequestration levels.

Economic Development Assistance Programs are funded at $210 million, including $10 million for the Regional Innovation Program. The bill provides $96 million for Public Works ($17 million above FY 2013 levels), $29 million for Planning (same level as FY 2013), $42 million for Economic Adjustment Assistance ($8 million below FY 2013), $3 million for new coal job assistance (new funding) and $37 million for salary expenses ($500,000 below FY 2013 levels).

These EDA funds support regional strategies for long-term growth, leverage billions in private investment and generate thousands of jobs. EDA funding is important to counties because it serves as a catalyst in helping local communities achieve long-term economic growth.

Department of Labor's Employment and Training Administration Takes Hit – WIA Funding Increased Slightly

The omnibus provides $10.4 billion for programs and activities under the U.S. Department of Labor's Employment and Training Administration, which is $562 million below FY 2013 levels.

- **Veterans Employment and Training Service (VETS)**: The omnibus provides $270 million, an increase of $19 million above FY 2013 post-sequestration levels, to expand employment services, including $14 million for the Transition Assistance Program to help new veterans receive training for civilian employment and job search assistance.

- **Workforce Investment Act (WIA)**: The bill provides $2.59 billion, an increase of $121 million over FY 2013 levels, to provide job training skills and assistance to low-skilled adults, dislocated workers and low-income

youth with barriers to employment. WIA is the largest single source of federal funding for workforce development activities and a critical resource for counties.

- **Job Corps**: The omnibus provides $1.7 billion for Job Corps, down slightly from FY 2013 levels. Job Corps helps unemployed young Americans receive education, job training and employment assistance.

Energy, Environment and Land Use

County Role in Environment and Energy

Counties are the primary service providers and have a responsibility to protect the health, welfare and safety of its citizens, and to maintain and improve their quality of life. Counties are tasked with ensuring environmental protection while maintaining economic vitality of the region. The county role in environmental protection and energy is varied, ranging from air and water quality protection, solid waste, and energy resources.

Environmental Programs Take Some Hits

The U.S. Environmental Protection Agency (EPA) receives $8.2 billion under the omnibus, which is $143 million below FY 2013 level but $47 million above the President's FY 2014 request. EPA is the federal agency tasked with protecting human health and the environment.

- **Water Infrastructure Funding:** The Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) receives $2.35 billion combined in the omnibus; this is slightly higher than FY 2013. SRF programs help finance state and local water infrastructure projects. Specifically, the CWSRF receives $1.448 billion, an increase of $72 million over the FY 2013 level (post sequestration) for Clean Water Act (CWA) municipal wastewater infrastructure construction or upgrade projects. The DWSRF, under the omnibus, receives $906 million, an increase of $44.7 million from FY 2013 (post sequester), to support Safe Drinking Water Act (SDWA) infrastructure projects. In recent years, federal funding for compliance with CWA/SDWA mandates has been shrinking. NACo supports the State Revolving Loan Fund (SRF) programs, the Clean Water State Revolving Loan Fund (CWSRF), and the Drinking Water State Revolving Loan Fund, as supplements to, not a substitute for, federal grants program.

- **Leaking Underground Storage Tank Program**: The omnibus provides $94 million for the Leaking Underground Storage Tank Trust Fund Program (LUST), $4.7 million below the FY 2013 level. A number of 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 from underground storage tanks.

- **Brownfields:** For Brownfields Section 104(k) grants, the omnibus provides $90 million, level with funding from FY 2013. NACo urges continued federal support for redevelopment of

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abandoned or under-utilized industrial and commercial sites, which are frequently contaminated due to past practices, through programs designed to allow these sites to once again be economically viable. NACo also supports federal funding for environmental cleanup of these areas. Clean-up standards should be based on the level and type of contamination, and the intended reuse purpose.

- **EPA Riders:** The bill contains several riders which exempt livestock producers from greenhouse gas regulations, climate change reporting requirements to Congress, and regional haze air quality issues.

- **Not included in the bill:** A rider to prohibit EPA from moving forward on requiring permits for stormwater runoff from forest roads was not included in the omnibus, nor was a rider to prohibit the "Waters of the U.S." definitional changes from moving forward.

Focus on Energy Security and Diversity Continues

Under the omnibus, the U.S. Department of Energy (DOE) receives $10.2 billion to support a focus on energy independence and economic competitiveness. This is $620 million more than FY 2013 and $916 million below the Administration's FY 2014 request. DOE is tasked with maintaining and promoting national energy policy in the U.S.

- **Energy Efficiency and Renewable Energy:** Under the omnibus, energy efficiency and renewable energy programs such as solar, hydrogen and fuel cell, wind, geothermal, receive approximately $1.9 billion as opposed to $1.7 billion in FY 2013 (post-sequestration). NACo supports increased federal resources for researching and developing renewable energy technologies, including wind, solar, geothermal, biomass, electricity from landfill gas, and other forms of waste-to-energy which will achieve the objective of clean and safe forms of energy. The renewable and alternative energy industries have diversified the nation's energy base while providing needed jobs to local economies.

- **Weatherization**: DOE's weatherization program receive $174 million, which is up $35 million (pre-sequester) from FY 2013. The Weatherization Assistance Program (WAP) helps low income families to 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.

- **Fossil Fuel Research:** Fossil fuel research and development technologies, such as carbon capture and storage, national gas technologies and unconventional fuel technologies from oil and coal receive $562 million, a decrease of $28 million from the FY 2013 pre-sequestration level. NACo supports alternative and renewable energy, clean energy and clean coal research.

- **DOE Rider:** The omnibus includes a rider that would block the Administration from implementing the "light bulb" standard which prohibits incandescent light bulbs from being manufactured or sold.

- **DOE Rider:** The omnibus includes a rider which would allow federal agencies to use prior year funding for Yucca Mountain, in order to finish the safety evaluation report on Yucca's viability to be used as a nuclear waste disposal site. NACo supports construction of a permanent nuclear waste repository and the use of an interim central storage facility until the permanent site is completed.

Public Lands

County Role in Public Lands

The management of America's system of 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 tie between public lands resources and the well-being of the local economy. County elected officials must actively participate in ongoing and informed discussions at the federal level about how to develop, manage, and conserve nearby public lands so that they benefit businesses, the county and a diverse set of users into the future.

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

Big Win for Wildfire Fighting and Prevention

In total, the omnibus provides $3.9 billion for wildfire fighting and prevention programs within the U.S Department of the Interior and the U.S. Department of Agriculture Forest Service. This level fully funds wildland fire operations for the Department of the Interior and the Forest Service at the 10-year average level, and fully reimburses the agencies for all fire-borrowing in FY 2013. In addition, the bill provides $452 million for hazardous fuels reduction activities, which is $150 million above the President's FY 2014 budget request.

Bureau of Land Management (BLM) Funding Increased Slightly

The BLM is funded at $1.1 billion under the omnibus – $7 million above the FY 2013 enacted level. The legislation also seeks to protect ranchers in western communities from unnecessary red tape and increased costs, including riders which would block an Administration proposal to charge $6.5 million in new grazing fees on BLM and Forest Service lands and would provide a two-year extension for renewal of grazing permits administered by the BLM and the Forest Service.

U.S. Fish and Wildlife Service (FWS)

- **Refuge Revenue Sharing Fund:** The Refuge Revenue Sharing Fund is provided $13 million under the omnibus. The FWS makes revenue sharing payments to counties for the lands they administer. 25 percent of the net receipts collected from the sale of various products or privileges from refuge lands are paid to the counties in which they were located.

- **Sage Grouse Recovery:** $15 million is appropriated for conservation activities to prevent greater sage-grouse from becoming listed as an Endangered Species.

U.S. Forest Service Funded at $5.5 Billion

The omnibus provides $5.5 billion for the Forest Service—which includes increases in funding for wildfire fighting and management, as noted above.

Agriculture and Rural Development

U.S. Department of Agriculture Rural Development Sees Increase in Omnibus

The omnibus provides $2.4 billion for Rural Development programs, which is $180 million above the FY 2013 enacted level. 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.

Under the USDA Rural Utilities Service:

- **Water and Waste Disposal Programs:** The omnibus provides $1.2 billion in direct loans ($200 million above FY 2013), $50 million in guaranteed loans ($11 million below FY 2013), and $345 million in grants ($35.5 million above FY 2013). This program helps rural communities address the backlog of clean water and waste disposal projects.

- **Distance Learning, Telemedicine, and Broadband Program:** The omnibus provides $10.37 million in grants (an increase of $0.26 million from FY 2013), $4.5 million in loan subsidies (a $0.61 million increase from FY 2013), and $34.48 million in direct loans ($7.76 million less than FY 2013 levels) for broadband transmission and internet services in unserved rural areas. The omnibus also includes $24.32 million in grants for the Distance Learning and Telemedicine Program (an increase of $1.24 million from FY 2103).

Under the USDA Rural Housing Service:

- **Rural Communities Facilities Program:** The omnibus provides $2.2 billion in direct loans (unchanged from FY 2013), $59.5 million in guaranteed loans (a $2.06 million increase from FY 2013), and almost $30 million in grants (an increase of $1 million from FY 2013) to help fund rural hospitals, schools and health clinics.

- **Housing Insurance Fund Program:** The omnibus provides $900 million for Single Family Housing Direct Loans including $24 billion in unsubsidized loan guarantees—unchanged from FY 2013 levels. Most notably, the program also includes $1.1 billion for Rental Assistant Program Grants (a $225.7 million increase from FY 2013).

Under the USDA Business-Cooperative Service

- **Rural Cooperative Development Grant Program:** The omnibus provides $26.1 million for the Rural Cooperative Development Grant Program ($1 million less than FY 2013) including $5.8 million in grants and $2.25 million for a cooperative agreement for the Appropriate Technology Transfer for Rural Areas Program. The program funding also includes $15 million in grants for the Value- Added Producer Grant (VAPG) program (a $1.13 million increase from FY 2013). Specifically, the VAPG program helps create and expand new bio-based markets and products.

Food Safety Takes Hit

The omnibus appropriates $1 billion for the Food Safety and Inspection Service, a $19 million reduction from FY 2013 levels.

- **Food and Nutrition Service (FNS)**: Child Nutrition receives $19.3 billion, a decrease of over $1 billion from FY 2013 levels.

- **Supplemental Nutrition Assistance Program (SNAP)**: SNAP is funded at $82.17 billion, which is the amount that the administration estimates is needed for the former food stamps program. This is a slight increase from FY 2013.

- **Women, Infants and Children (WIC) Supplemental Feeding Program**: WIC is provided $6.7 billion, which is an increase of $194 million over the FY 2013 post-sequestration levels.

Education

Increases for U.S. Department of Education Programs

For the three major elementary, secondary and higher-education programs, the omnibus provides increased funding. These programs are important to counties that are involved in financing school systems. Additionally, funding for the Pell Grant program, which is critical to community college tuition payments, would remain steady.

- **Title I Funding for Disadvantaged Schools:** The omnibus provides $14.4 billion, an increase of $625 million from the FY 2013 post-sequestration level.

- **Special Education Grants to States:** The omnibus provides $11.473 billion, an increase of $498 million from the FY 2013 post-sequestration level.

- **Pell Grants:** The omnibus maintains funding at $22.8 billion, which will support a slight increase to the maximum annual award of $5,530 per student.

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We hope that you will join us in Washington, D.C. on March 1-5 for NACo's 2014 legislative Conference where issues important to county governments will be discussed. For more information, including registration instructions, visit naco.org/events.