



# **NACO FEDERAL POLICY UPDATE: OMNIBUS SPENDING PACKAGE**

March 9, 2022



## THIS WEEK'S TIMELINE:

- The text of the FY2022 Omnibus Package was released late **last night**
- The House is expected to **vote on the \$1.5 trillion package today** and send it to the Senate
- As a reminder, **government funding** is set to run out **this Friday, March 11**. Another short-term spending bill (CR) has been prepared in the event the Senate cannot pass the omnibus package by then
- Key provisions of the package include:
  - Defense spending would increase by \$42 billion, and non-defense spending would increase by \$46 billion
  - **Another round of COVID-19 funding**
  - Emergency humanitarian, military, and economic aid to Ukraine

# KEY COUNTY PROVISIONS

- **Increase** in funding for **Rural Development Housing programs** such as rental assistance and loans for multi and single-family housing
- Additional investments in **renewable energy development** for our producers and rural small businesses
- **Decrease of \$170 million** in funding for the **Community Development Block Grant (CBDG)** that assists local governments in improving housing and living conditions, and providing community services
- Additional **\$840 million** for capitalization grants under the **Drinking Water State Revolving Fund and Clean Water State Revolving Fund**
- **\$75 million for Election Security Grants** to improve the administration of federal elections, enhance election technology, and make security improvements as authorized by **Help America Vote Act (HAVA)**

# KEY COUNTY PROVISIONS

- **\$200 million** in new and flexible funding through the **Centers for Disease Control and Prevention (CDC)** to support the **public health infrastructure and capacity nationwide**
- **\$100 million increase to the Mental Health Block Grant**, which helps support services across the behavioral health continuum
- **\$583 million in additional funding** within the **Special Supplemental Nutrition Program for Women, Infants and Children (WIC)** program
- **\$289 million increase** in funding for **Head Start**, which funds local organizations- including county government agencies- to promote access to high-quality early childhood education among low-income children
- **Increases funding to \$674 million** for the **Byrne Memorial Justice Assistance Grant (JAG)** program

# KEY COUNTY PROVISIONS

- **Increases the Federal cost share for FEMA’s Public Assistance program** from 75% to 90% for non-COVID related disasters from January 1, 2020 – December 31, 2021
- **Provides one-year of full, mandatory funding of the Payment in Lieu of Taxes Program (PILT)**
- **\$5.7 billion to the US Forest Service targeted toward hazardous fuel treatments and increased year-round staffing capacities**
- **\$550 million to expand broadband internet access in underserved areas**, including rural areas
- **\$102.9 billion for DOT** to begin standing up new competitive programs established by the **Bipartisan Infrastructure Law**, and fund **new and existing transportation programs**
  - **Over \$1.3 billion in earmarks for highways, roads, bridges, airports and public transit systems**

# ARPA RECOVERY FUND RESCISSION

As outlined in the package, the \$15 billion in Covid Relief money will be paid for with unobligated ARPA Recovery Funds. Right now, the package would rescind \$7.05 billion of the total \$15 billion from the **STATE AND LOCAL ARPA ALLOCATION**, but **COUNTY ALLOCATIONS will not be rescinded.**

## \$15 BILLION: BREAKDOWN OF COVID-19 RELIEF FUNDING REQUESTED

- \$10 billion for health efforts
- \$5 billion for international development for vaccines abroad
  - Paycheck Protection Program (\$1.904B)
  - Agriculture Programs (\$1B)
  - **Aid to state and local governments (\$7.055B) – State and Local Fiscal Recovery Fund**
  - Small business assistance from CARES Act (\$2.95b)
  - Department of Education (\$100M)
  - Dept of Transportation (\$2B)

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# ARPA RECOVERY FUND RESCISSION

## PROCESS FOR HOW FUNDING WILL BE RESCINDED FOR THE \$7.055 BILLION ARPA ALLOCATION

- The appropriations bill will start rescinding funding (\$7.055 billion) in the following phases – states -> territories -> tribes -> counties/cities
  - Funds will be rescinded on the date of enactment of this Act.
  - **Counties are the LAST option to recoup funds from.** The bill will stop at whatever level once it has rescinded \$7.05 billion
  
- \$350 billion total allocated under ARP for Coronavirus State and Local Fiscal Recovery Fund
  - **\$240 billion has been disbursed by Treasury by 1/6/2022**
    - Remaining funds total \$110 billion:
      - States, territories, tribes: \$25 billion
      - Territories: \$2.25 billion
      - Tribes: Total allocated was \$20 billion – more difficult to find out how much is left, but in doing the math it could be around \$17 billion? Double checking that number.
      - Counties/cities: \$65 billion (second tranche)

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