

# Federal Transition

*WHAT LOCAL GOVERNMENTS  
SHOULD KNOW*

January 15, 2021 1:30 PM EST

Webcast by ICMA & Sustainable Strategies DC

**ICMA**



# Presenters

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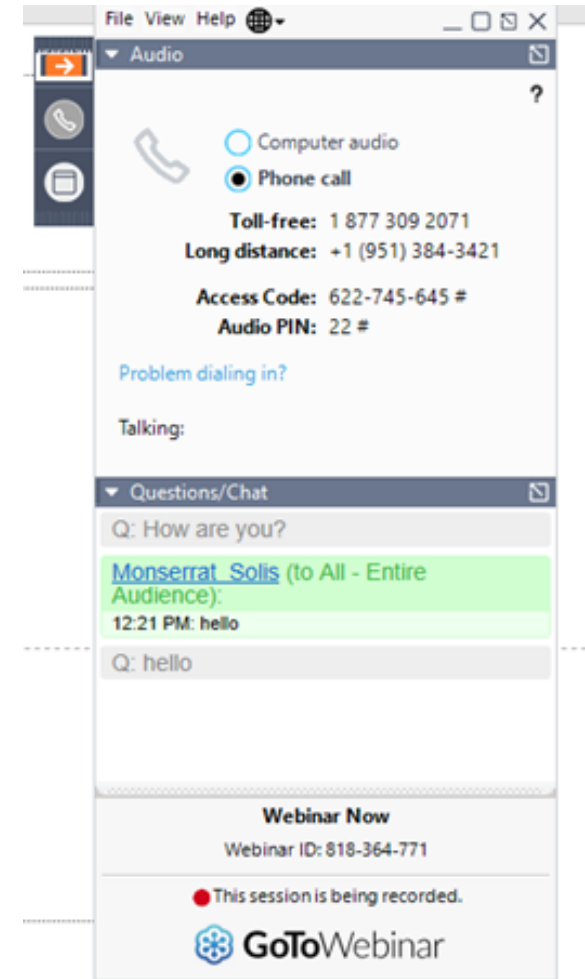
[www.StrategiesDC.com](http://www.StrategiesDC.com)



[www.icma.org](http://www.icma.org)

# How to Participate Effectively

- All participants on mute
- To ask a question, type in lower box of your dashboard
- This webcast will be recorded and the slide deck and recording will be sent to all participants and others who wish to review it
- Most importantly – stay in touch and follow up!



# Presentation Outline

- Effective American Government in an Era of Division
- Overview of Recent Legislative Action
  - 2021 Consolidated Appropriations, COVID Stimulus
- What to Expect
  - Biden/Harris Administration Priorities, 117<sup>th</sup> Congress Priorities
- How to Prepare
  - Focus Areas for Localities, Tips for Organizing to Secure Resources

## Potential for Effective Government

- Fractured Congress, questions about future of Republican Party
- Time devoted to investigations & impeachment while COVID continues, economy falters, spending bills must be developed, infrastructure legislation to be considered
- Challenges for local leaders to connect to federal officials, given virus and travel issues
- Will January 6 crisis lead to common-sense action on America's needs, or more conflict?



# Overview of Recent Legislative Actions

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# FY 2021 Consolidated Appropriations

- Most key programs for localities same as robust FY20 level, very few decreases
  - Detailed memos at [www.strategiesdc.com/transition-project.html](http://www.strategiesdc.com/transition-project.html), [National League of Cities](http://National League of Cities) & [www.ncsl.org](http://www.ncsl.org)
- ↑ HUD Community Development Block Grants (CDBG) – \$50 million above FY 2020
  - ↑ HUD Choice Neighborhoods – \$25 million above FY 2020
  - ↑ USDA Rural Broadband Grants -- \$430 million above FY 2020
  - ↑ Economic Development Administration - \$13 million above FY 2020
  - ↑ National Endowment for the Arts – \$5.25 million above FY 2020
  - ↑ FEMA Assistance to Firefighters Grants (AFG) & Staffing for Adequate Fire & Emergency Responses Grant Program (SAFER) – each \$5 million above FY 2020
  - ↑ DOJ COPS Hiring, Byrne Grants, Community Policing Development, and other programs up – \$61.5 million above FY 2020
  - ↑ EPA Brownfields – \$2 million above FY 2020
  - ↑ Historic Preservation Grants - \$25.7 million above FY 2020
  - = DOT BUILD, EPA Water/Sewer, HUD Section 108 – same as FY 2020



# Substantive Statutes Added to Spending Bills

- Water Resources Development Act (funding Corps projects, with earmarks!), Energy Act of 2020, Environmental Innovation Act
- Key takeaway 1 - Congress is using spending bills as vehicles to pass major, substantive legislative acts without going through “regular order”
- Key takeaway 2 - Earmarks



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# 2<sup>nd</sup> Round COVID-19 Stimulus

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- Provides key help, except for direct aid to localities
- Extension of Coronavirus Relief Fund through end of 2021 – but no more resources or flexibility
- \$284.5 billion for PPP (expanded eligibility); \$20 billion for Economic Injury Disaster Loan Grants, \$15 billion for cultural institutions, live venues & independent movie theaters, \$10 billion for State DOTs; \$14 billion in Transit Emergency Relief; \$25 billion in rental assistance; \$12 billion for CDFIs
- Hundreds of billions for health & nutrition funding



# What to Expect

Priorities for Biden/Harris Administration & 117<sup>th</sup> Congress

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Democrats to control Washington for now –  
*but gridlock & need for bipartisan  
compromise to remain*

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- President Biden has more room for his legislative agenda and his nominees, more control over hearings and floor action, and much less hearings & oversight scrutiny now that the Democrats control the White House, House, **and Senate.**
  - Budget reconciliation streamlines Senate process. Are the days of the Senate filibuster numbered??
  - Moderates in Senate will be critical to all major legislation
  - Washington likely to move *fast* in early 2021 under Democratic control under a short honeymoon . . . .local governments cannot wait to get seats at the table



# Biden/Harris Administration – Key Leaders Important to Localities

White House Intergovernmental Director:

Julie Rodriguez

White House Domestic Policy Ambassador:

Susan Rice

HUD Secretary:

Marcia Fudge

Transportation Secretary:

Pete Buttigieg

EPA Administrator:

Michael Regan

National Climate Advisor:

Gina McCarthy

Secretary of Commerce:

Gina Riamondo

Secretary of Labor:

Mayor Marty Walsh

Agriculture Secretary:

Tom Vilsack

Director of National Economic Council:

Brian Deese

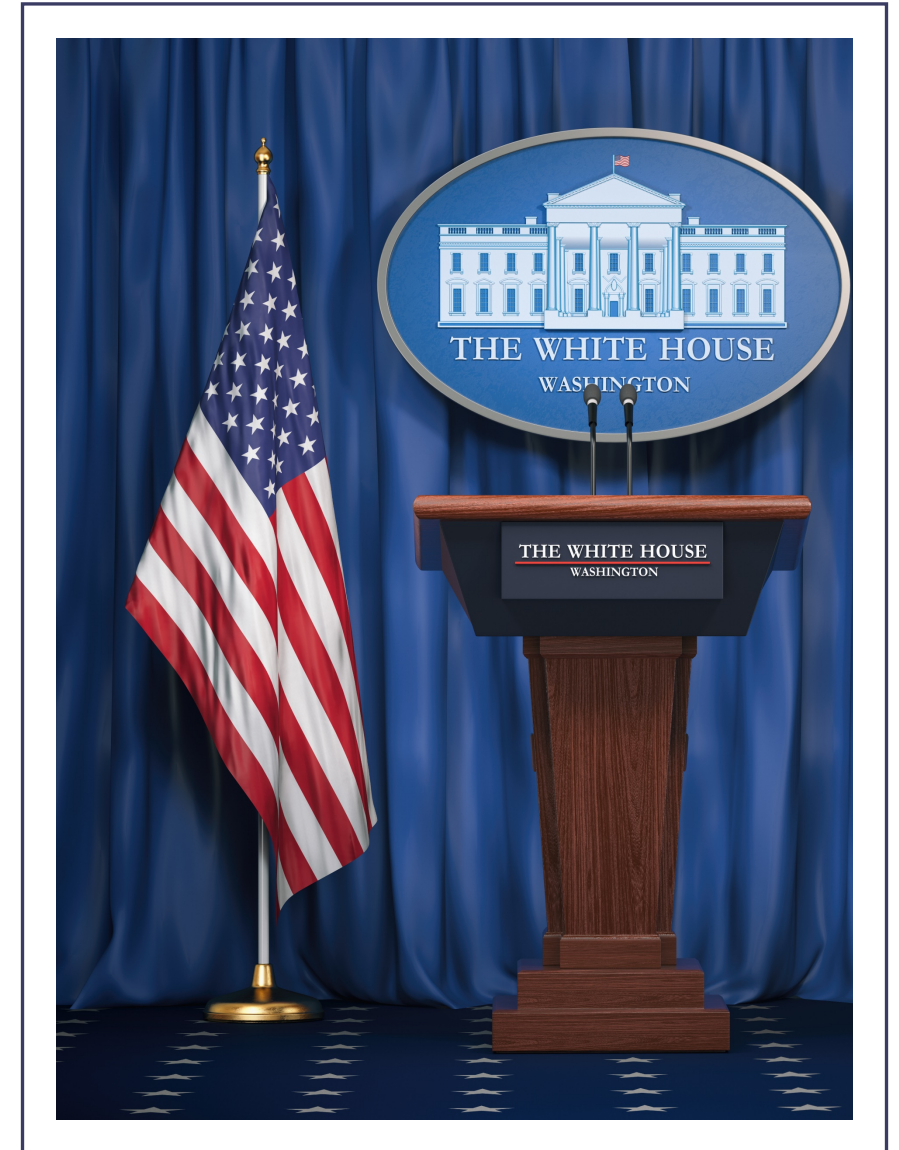
Attorney General:

Merrick Garland



# Biden/Harris Administration Priorities

- 100 Day COVID Challenge
- \$1.9 trillion “American Rescue” stimulus package proposed January 14
- 2<sup>nd</sup> “Build Back Better Recovery” stimulus package to be presented in February
- \$2 trillion climate & clean energy package –and major regulatory & incentive overhaul
- Resilience, criminal justice reform, racial & economic equity
- Manufacturing & innovation
- Reinvigoration of and improvements to the Affordable Care Act



# Biden Proposes \$1.9 Trillion “American Rescue” Stimulus



- \$350 Billion in “emergency funding” for state, local and territorial governments
  - Not clear what level of flexibility, or whether funds can be used for local fiscal holes
  - Includes call for \$3 billion for Economic Development Administration grants
- \$35 billion for state, local, tribal, and non-profit small business financing programs to leverage \$175 billion in low-interest loans & venture capital for entrepreneurs including “clean energy sector”
- \$15 billion for “flexible, equitably distributed grants to 1 million “hardest hit small businesses”
- \$20 billion for “hardest hit” public transit agencies including to make systems “resilient”
- \$13 billion for food and nutrition including FEMA FEED program for restaurants
- \$5 billion for homeless services
- \$5 billion for LIHEAP
- \$4 billion for HHS SAMHSA & HRSA substance and mental health services
- \$130 billion for K-12 school reopening, \$35 billion for higher education, \$5 billion for “hardest hit”
- Reimbursement of local government paid leave costs
- Many other programs for vaccines, COVID-19 response, worker protections, tax benefits, and more

# Proposed “Build Back Better” Recovery Package

*Coming February 2021*



- “Historic investments” in infrastructure and manufacturing, innovation, R&D (including in battery technology, AI, biotechnology, clean energy), clean energy & climate infrastructure, job skills and training, and the caregiving economy (for young children & elderly)
- Focus on Made in America, pro-labor, climate-forward, rural investments
- Models are 2009 Recovery Act, House’s 2020 Moving Forward infrastructure package – with progressive perspective

# Congressional Committee Chairs

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## Senate

- Appropriations
- Environment & Public Works
- Banking, Housing & Urban Affairs
- Commerce, Science & Transportation
- Energy & Natural Resources

## House

- Appropriations
- Energy & Commerce
- Transportation & Infrastructure
- Natural Resources

Leahy (VT)

Carper (DE)

Brown (OH)

Cantwell (WA)

Manchin (WV)

DeLauro (CT 3<sup>rd</sup>)

Pallone (NJ 11<sup>th</sup>)

DeFazio (OR 4<sup>th</sup>)

Grijalva (AZ 7<sup>th</sup>)





# 117th Congress Priorities

- House will be led by Speaker Nancy Pelosi, with a slighter majority
- With GA election, Senate will be 50 seat Democrat, 50 seats Republican with Vice President Harris as tie-breaker
  - Budget reconciliation available to Democrats
- Senate will be led by Senator Chuck Schumer, with votes hinged on moderates & slivers of compromise
- Democrats will focus on more COVID-19 relief, infrastructure, climate, healthcare, tax policy, voting rights – as well as addressing January 6 insurrection
- Republicans will focus on small businesses, tax policy, immigration, new budget discipline
- Margins will be razor-thin for consequential votes



# How to Prepare

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# Local Government Actions for Economic Recovery

- ✓ Continue to **track all COVID-19 related expenses** (direct spending on first responders, PPE, communications, utilities, as well as small business support, food relief, and housing), operational impacts (furloughs, sick leave, layoffs), & revenue impacts
- ✓ Develop a **Resource Roadmap** to chart your funding agenda for 2021, and match priority needs to key resources; watch key agencies for resources **for economic rebuilding** including: EDA, HUD, USDA, CDFIs, DOT, ARC & EPA Brownfields
- ✓ Compile list of top priority infrastructure, evaluate shovel-readiness and planning needs, confirm costs and project timelines to prepare for an **infrastructure package** for roads, rail, transit, trails, ports and airports, along with water/sewer/stormwater, broadband, electric grid & smart cities

# More Local Government Actions for Economic Recovery

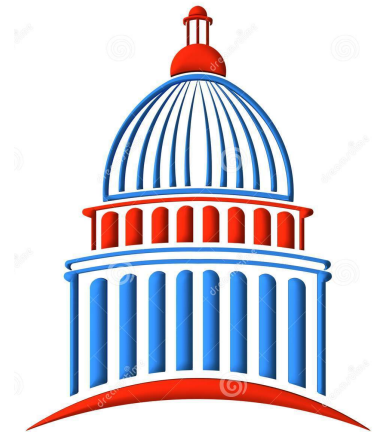
- ✓ Know your role and pathway in **climate & clean energy economy**, as federal action will impact, spending, infrastructure packages and all federal agencies – with potential for billions/trillions in investment & incentives in wind, solar, and renewables
- ✓ Prepare for the potential return of **congressional earmarks** by agreeing on priority projects and producing **briefing sheets with cost estimates**



# Stay Engaged



- Follow [ICMA](#) alerts, participate in ICMA survey research and ICMA Regional Summits, ICMA University, coaching, and other projects
- Keep in close contact with Congressional offices, federal agencies leaders & state officials to communicate your priorities and community's issues
- Participate in "[Transition Advocacy Project](#)", a coalition of localities seeking to shape federal investment in community revitalization, local resilience, equity and wealth-building, and sustainable infrastructure
  - Join January 21, 3PM EST webcast ([register here](#))
  - Sign on as "Local Founding Leader"



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