Federal Transition

WHAT LOCAL GOVERNMENTS SHOULD KNOW

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Webcast by ICMA & Sustainable Strategies DC
Presenters

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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, 117th 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
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 & [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
2<sup>nd</sup> Round
COVID-19 Stimulus

- 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 & 117th Congress
Democrats to control Washington for now – but gridlock & need for bipartisan compromise to remain

- 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\textsuperscript{nd} “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

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

Leahy (VT)
Carper (DE)
Brown (OH)
Cantwell (WA)
Manchin (WV)

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

DeLauro (CT 3rd)
Pallone (NJ 11th)
DeFazio (OR 4th)
Grijalva (AZ 7th)
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
✓ 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**

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- Confirm priority projects
- Create effective briefing sheets
- Prepare your elevator pitch
- Communicate with elected officials
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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