

CITY OF OAKLAND

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Sarah Schlenk
Acting Budget Director

SUBJECT: Federal and State Budgetary Actions
Standing Report

DATE: September 22, 2016

City Administrator Approval

Date:

9/22/16

RECOMMENDATION

Staff Recommends That The City Council Receive This Supplemental Informational Report On The Status Of Federal And State Budgetary Actions.

EXECUTIVE SUMMARY

Agendized at each Finance and Management Committee meeting is a standing report on the latest known Federal and State budgetary actions. *Below is largely an excerpt from the latest weekly report from the City's legislative consultant, Townsend Public Affairs, Inc. (TPA).* The information below represents the latest information available as of the release of this report. Any relevant information available after the release of this report will be reported in verbal format to the Finance and Management Committee on September 27, 2016.

Federal Legislative Update

After seven long weeks of recess, Congress returned to session on September 6th to extend federal funding and tackle critical issues like Zika virus funding. Although Congress was initially scheduled for a four-week session, reports indicate that leadership may race to finish the funding extension within two weeks, and recess early.

Federal Appropriations: With three weeks remaining in the 2016 fiscal year, President Obama met with top congressional leaders on Monday to discuss a stopgap spending bill to fund the government into Fiscal Year 2017. Unlike in the recent past, the debate on Capitol Hill isn't whether to pass a stopgap measure, but rather how long the stopgap (called a Continuing Resolution, or CR) should last. On the House side, some Republicans are seeking a 6-month CR—with controversial "riders" like halting the Syrian refugee resettlement program—to fund the government until early spring. A longer CR could significantly reduce President Obama's negotiating power on spending for the upcoming fiscal year.

Separately, Senate Majority Leader Mitch McConnell (R-KY) has introduced a Republican drafted spending bill that would fund the government until December 9. The bill would provide more than \$1 billion to combat the spread of the Zika virus, and provides disaster relief for recent flooding in Louisiana. This bill would give lawmakers additional time after the November elections to put together a comprehensive "omnibus" spending bill for the remainder of the 2017 fiscal year. The Senate could also pass the CR this month and then gavel into recess, placing

additional pressure on the House to accept the Senate version in order to avoid a shutdown. Any CR is likely to require Democratic votes, so look for House Minority Leader Nancy Pelosi (D-CA) and Senate Minority Leader Harry Reid (D-NV) to leverage as much as they can out of negotiations. The Republican Senate bill is already facing stiff opposition from Democrats who aim to include an aid package for the water crisis in Flint, Mich, as well as prevent the passage of numerous Republican backed policy riders. Democrats also insist that any Zika bill be free of language that would disqualify Planned Parenthood from receiving grants to treat Zika-infected women.

A Senate vote on the CR is expected early next week. House Speaker Paul Ryan (R-WI) and Senate Majority Leader Mitch McConnell (R-KY) are determined to avoid any replay of the 2013 government shutdown and the economic upheaval it could generate as this year's election season enters its critical phase.

Water Resources Development Act: Senate began consideration of the Water Resources Development Act. The bill (S. 2848) passed Senate on September 15th and could authorize 29 infrastructure projects for navigation, port improvements, flood control and environmental restoration. Unlike a typical WRDA bill, it also would authorize financial assistance for drinking water and wastewater systems. The House WRDA bill (H.R. 5303) follows tradition, sticking to authorization of infrastructure projects that would involve the U.S. Army Corps of Engineers. That approach allowed the bill to pass by the House Transportation and Infrastructure Committee by voice vote without dissent in May.

Hope for an Energy Bill: The Senate announced last week that it is ready to begin conference negotiations with the House on energy legislation. Much of the House's initial energy package—considered by Democrats to be full of “veto bait”—will likely be set aside as conferees negotiate on a final package.

Perkins Act reauthorization: The Perkins Act reauthorization, also known as the “Strengthening Career and Technical Education for the 21st Century Act” (H.R. 5587), is expected to come to the floor for a vote in the coming months. The bill passed out of the House Education and the Workforce Committee in July, and the Senate Health, Education, Labor and Pensions Committee continues behind-the-scenes negotiations on its bipartisan version, hoping to introduce that bill later this year. Although session before the election will be taken up with passing federal funding, the relatively uncontroversial Perkins reauthorization may appear on the floor in the lame duck session.

Looking Ahead

Congress returned from summer recess with about four weeks in session before recessing again through the election. After the election, the House is scheduled to work for 16 days and the Senate for 20 in the lame duck session.

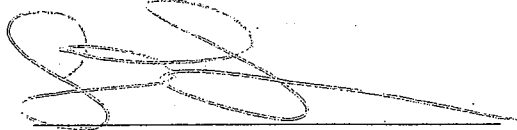
The biggest agenda item for Congress upon its return is to prevent a government shutdown. With a September 30 deadline looming, Congress must at the very least pass a stop-gap spending measure to avoid a pre-election shutdown. A vote on the Republican Senate bill may happen as early as Monday September 26th. We will keep track of this and report back on any details relevant to the city of Oakland's fiscal priorities.

ACTION REQUESTED OF THE CITY COUNCIL

That the City Council receives this informational report on Federal and State budgetary actions.

For questions regarding this report, please contact Jonathan Segarra, City Administrator Analyst, at (510) 238-4906.

Respectfully submitted,



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