



# PARAGON

GOVERNMENT RELATIONS

## CALIFORNIA STATE ASSOCIATION OF COUNTIES

WASHINGTON BRIEFS

FOURTH QUARTER 2020

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Following months of divisive negotiations, House and Senate lawmakers passed late in the fourth quarter a sweeping \$2.3 trillion economic rescue and government funding bill (H.R. 133). The legislation – which includes \$900 billion in coronavirus aid and \$1.4 trillion in regular fiscal year 2021 appropriations – was cleared by overwhelming margins in both chambers of Congress. After harshly criticizing the package and demanding that lawmakers amend the bill to include, among other things, larger stimulus checks, President Trump ultimately signed the legislation into law.

Passage of H.R. 133 marks the fifth time that Congress has approved federal support to help mitigate the public health and economic impacts of the coronavirus pandemic. All told, congressional spending on the COVID-19 crisis, along with coronavirus-related tax relief, amounts to roughly \$4.5 trillion.

Although Democrats and Republicans alike were quick to hail a number of provisions in the year-end funding deal, both sides blamed the other for the long delay in finalizing the legislation. In order to reach a final agreement, Senate Republicans had to abandon their top priority for a fifth COVID-19 relief measure – namely coronavirus liability protections for businesses – while congressional Democrats were forced to relent on another round of federal fiscal aid to states and local governments.

Looking ahead, champions of increased federal support for states and localities are vowing to resurrect their push to secure the funding once the new 117<sup>th</sup> Congress convenes. Likewise, President-elect Joe Biden has committed to seeking another COVID-19 package and is expected to prioritize financial assistance to states and local governments.

### SUMMARY OF KEY COVID-19-RELIEF PROVISIONS OF H.R. 133

#### **Public Health**

Vaccines – The final COVID-19 package provides a total of \$8.75 billion in new funding to assist with vaccine development and distribution. Of this amount, \$4.5 billion will be available for direct grants from the U.S. Centers for Disease Control and Prevention (CDC) to states and localities under the Public Health Emergency Preparedness cooperative agreement. Another \$300 million will be directed to high-risk and underserved populations, including racial and ethnic minority populations and rural communities.

Testing & Tracing – The bill provides \$21.6 billion in direct grants for states, localities, and territories with a portion of funds set aside for certain hot spots. Grants will be available to federally qualified health centers, rural health clinics, local governments, school-based health clinics, schools, academic medical centers, colleges and universities, research labs, veterinary labs, nonprofits, Indian tribes, and other entities.

## **Nutrition**

Supplemental Nutrition Assistance Program (SNAP) – The legislation temporarily increases the individual monthly SNAP benefit by 15 percent for six months through June 30, 2021 and waives work and other requirements for college students who are otherwise income-eligible for SNAP.

Pandemic-EBT Program – The measure expands the program to cover families with children in child care.

The Emergency Food Assistance Program (TEFAP) – The bill includes funds for food storage and administration, as well as funding to support food banks and food pantries.

Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – The agreement temporarily increases the value of WIC benefits to allow participants to purchase additional fruits and vegetables.

Other Nutrition Support – H.R. 133 provides increased funding for school and child care meal programs; funding for senior nutrition services, including Meals on Wheels, and extends waivers providing flexibility in Older Americans Act nutrition services; extends free meal reimbursement through the Child and Adult Care Food Program to young adults up to age 25 residing in emergency shelters; and, includes additional funds for the Commodity Supplemental Food Program.

## **Child Care**

Child Care Stabilization Fund – Appropriates \$10 billion for a new Child Care Stabilization Fund grant program. Grants will be available to child care providers regardless of whether they had previously received funding through the existing Child Care and Development Block Grant (CCDBG).

Providers will be able to use stabilization grants for a variety of purposes, including: personnel costs; sanitization and cleaning; personal protective equipment; fixed costs, including mortgage obligations, rent, utilities and insurance; and, modifications to child care services as a result of the pandemic.

## **Human Services**

Foster Youth – The legislation provides \$350 million for the John H. Chafee Foster Care Program for Successful Transition to Adulthood (more than doubling the annual appropriation) and an additional \$50 million for education and training vouchers for youths aging out of foster care. The bill also waives the 50 percent non-federal match for prevention services under the *Family First Prevention Services Act* through September 30, 2021.

Adult Protective Services – The measure provides \$50 million in first time funding to support state and local adult protective agencies.

Addiction and Mental Health – The bill provides \$3.15 billion for the Substance Abuse Prevention and Treatment Block Grant, the Community Mental Health Services Block Grant, tribal programs, emergency relief, peer recovery programs, and suicide prevention efforts at the CDC. H.R. 133 also includes \$1.3 billion for State Opioid Response (SOR) Grants.

## **Housing and Rental Assistance**

Rental Assistance and Eviction Moratorium – H.R. 133 provides \$25 billion in rental assistance to states, local governments, and tribes through the formula established by the Coronavirus Relief Fund. Counties above 200,000 in population will be able to request a direct allocation from the Treasury Department. Under the bill, no less than 90 percent of the funds must be used for payment of rent, rental arrears, utilities and home energy costs, utility and home energy arrears, and related housing expenses; up to 10 percent of funds are available for housing stability services.

The legislation also ensures that support is provided to the most in-need households, with a preference given to households with 50 percent of area median income and below. Support can cover up to 18 months of arrears and prospective assistance, with prospective assistance limited to no more than 12 months.

Finally, the bill extends the current CDC eviction moratorium until January 31, 2021.

## **Coronavirus Relief Fund**

H.R. 133 extends the date by which states and local governments are allowed to spend *CARES Act* CRF awards from December 30, 2020 to December 31, 2021.

## **Transportation**

Highways – The measure provides \$10 billion to support State Departments of Transportation and local transportation agencies. Funds are available to replace amounts lost as a result of the coronavirus for preventive maintenance, routine maintenance, operations, and personnel costs and may also support tolling agencies and ferry systems.

Transit – The bill dedicates \$14 billion for transit operating assistance, as well as \$50 million and spending flexibility for paratransit providers.

Airports – The agreement provides \$2 billion in funding for operations and personnel costs of airports, including economic relief for retailers (i.e., concessionaires) and for assistance to communities with small airports.

## **Broadband**

H.R. 133 provides a total of \$7 billion for broadband, including: \$3.2 billion in emergency funds for low-income families to access broadband; a new \$300 million grant program to fund broadband in rural areas; \$250 million in telehealth funding; and, \$65 million to complete national maps depicting broadband availability across the U.S.

## **Sick Leave & Family and Medical Leave**

The final agreement extends a provision from the *Families First Coronavirus Response Act* (FFCRA) that provides a refundable tax credit to support employers who offer paid sick leave, as well as paid family and medical leave. It should be noted that government entities are not eligible to receive this benefit. While H.R. 133 extends the tax benefit, it does not extend the employer mandate to provide such leave.

## Unemployment Insurance

The final bill extends pandemic-related UI benefits – including Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) – through March 14, 2021. The legislation also restores the Federal Pandemic Unemployment Compensation (FPUC) program. Starting after December 26, the FPUC will provide an enhanced supplement of \$300 per week, which will be paid in addition to and at the same time as regular State or Federal UC benefits. It should be noted that a limited number of workers, who have lost both wage and self-employment income, will be eligible for an additional \$100 per week supplemental benefit.

Because President Trump delayed signing the final COVID-19 measure, individuals in the pandemic unemployment compensation programs will likely not receive a payment for the final week of the year. In addition, the \$300 federal enhancement may only last 10 weeks instead of 11 weeks for many recipients due to the fact that many states are unable to provide benefits for weeks that start before programs are authorized.

## Federal Lending Facilities

H.R. 133 permanently terminates several lending programs that were created by the Federal Reserve, including the Municipal Liquidity Facility (MLF), which was established to provide up to \$500 billion in loans to eligible states and local governments. The legislation also prevents the Treasury Department from restarting these programs or designing new programs that are functionally equivalent.

## Other COVID-19 Provisions

Direct Payments to Taxpayers – H.R. 133 provides “economic impact payments” in the form of advanced tax credits. Under the bill, the credit is set at \$600 for individuals making up to \$75,000 per year and \$1,200 for couples making up to \$150,000 per year, as well as a \$600 payment for each dependent child. (A family of four could receive a maximum of \$2,400 in direct payments.)

Small Business Support – The legislation extends the Payroll Protection Program to March 31, 2021 and expands the eligible uses of program dollars. The final deal includes over \$284 billion for first and second forgivable PPP loans, dedicated set-asides for very small businesses, and lending through community-based institutions like Community Development Financial Institutions and Minority Depository Institutions. \$20 billion is included for new Economic Injury Disaster Loan (EIDL) grants for businesses in low-income communities, \$3.5 billion for continued SBA debt relief payments, and \$2 billion for enhancements to SBA lending. The deal also includes \$15 billion in dedicated funding for live venues, independent movie theaters, and cultural institutions.

Extension of Certain Deferred Payroll Taxes – On August 8, 2020, President Trump issued a memorandum to allow employers to defer withholding on their employees’ share of social security taxes. If employers chose to utilize this benefit, they would have had to increase withholding and repay the deferred amounts between January 1, 2020 and April 31, 2021. H.R. 133 simply extends the repayment period through December 31, 2021; furthermore, penalties would not accrue until January 1, 2022.

## FISCAL YEAR 2021 CONSOLIDATED APPROPRIATIONS ACT

As indicated above, Congress combined the COVID-19 relief package with a \$1.4 trillion fiscal year 2021 omnibus spending bill. The legislation, which provides funding for every federal department and agency, includes \$656.5 billion in nondefense discretionary spending (a \$20 billion increase over FY 2020), \$671.5 billion in base defense spending (a \$5 billion increase), and \$77 billion for Overseas Contingency Operations.

While there was an effort by House Democrats to add nearly \$250 billion in emergency funding beyond current statutory spending limits, lawmakers agreed to stay within the parameters set in a 2019 budget accord. Democrats also agreed to drop some of their most ambitious policy riders, including several policing reform measures.

To follow are a series of charts that compare FY 2020 spending to the levels included in the final FY 2021 omnibus appropriations legislation.

### TRANSPORTATION-HUD APPROPRIATIONS

The Transportation-Housing and Urban Development (HUD) title of H.R. 133 provides \$136.8 billion in total budgetary resources, \$1.2 billion above the 2020 enacted level.

U.S. DEPARTMENT OF TRANSPORTATION	FY 2020	FY 2021	Change
Federal-Aid Highways	\$46,365	\$46,365	---
Additional Highway Infrastructure Funding	\$2,166	\$2,000	-\$166
BUILD Grants	\$1,000	\$1,000	---
Transit Formula Grants	\$10,150	\$10,150	---
Capital Investment Grants	\$1,978	\$2,014	+\$36
Transit Infrastructure Grants	\$510	\$516	+\$6
State of Good Repair	\$200	\$200	---
Consolidated Rail Infrastructure & Safety	\$325	\$375	+\$50
Airport Improvement Program (AIP Formula)	\$3,350	\$3,350	---
Grants-in-Aid for Airports (General Fund)	\$400	\$400	---
Essential Air Services (EAS Formula)	\$162	\$141.7	-\$20.3
Small Community Air Service Development	\$10	\$10	---

**Additional Highway Infrastructure Funding** – Of the additional \$2 billion in highway funding, the bill provides \$1.08 billion for a bridge replacement and rehabilitation program, over \$640 million for surface transportation block grants and infrastructure to support alternative fuel corridors, and \$100 million for the nationally significant federal lands and tribal projects program.

The bill also directs the FHWA to proactively work with state and local stakeholders to reduce administrative and regulatory burdens in order to expeditiously advance bridge projects of urgent need in order to minimize impacts on commuters, freight movement, and disadvantaged communities.

<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Change</b>
Community Development Block Grants (CDBG)	\$3,425	\$3,475	+\$50
HOME Investment Partnership Program	\$1,350	\$1,350	---
CHOICE Neighborhoods Initiative	\$175	\$200	+\$25
Homeless Assistance Grants	\$2,777	\$3,000	+\$223
Tenant Based Rental Assistance	\$23,874	\$25,739	+\$1,865
Project Based Rental Assistance	\$12,570	\$13,465	+\$823
Housing for the Elderly	\$793	\$855	+\$62
Housing for Persons with Disabilities	\$202	\$227	+\$25
Veterans Affairs Supportive Housing	\$40	\$40	---

**Homelessness** – The final spending bill directs HUD to evaluate homelessness prevention initiatives around the country and to issue policy guidance for the adoption and implementation of effective and best practices. HUD is further directed to brief the House and Senate Committees on Appropriations within 180 days of enactment of the bill on ways the federal government can increase flexibility in policies and funding to allow for the creation or expansion of homelessness prevention programs.

## LABOR-HHS APPROPRIATIONS

The Labor-Health and Human Services title of H.R. 133 provides \$197 billion in programmatic funding for fiscal year 2021, or a \$2.8 billion increase.

<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Change</b>
Social Services Block Grant	\$1,700	\$1,700	---
Mental Health Services Block Grant	\$723	\$758	+35
Substance Abuse Prevention & Treatment Block Grant	\$1,858	\$1,858	---
State Opioid Response Grants	\$1,500	\$1,500	---
Low-Income Home Energy Assistance Program	\$3,740	\$3,750	+\$10
Community Services Block Grant	\$740	\$745	+\$5
Head Start	\$10,613	\$10,748	+\$135
Child Care and Development Block Grant	\$5,826	\$5,911	+\$85
Senior Congregate Meals	\$510	\$515	+\$5



Home Delivered Meals	\$266	\$276	+\$10
Child Welfare Services	\$269	\$269	---
Maternal & Child Health	\$688	\$713	+\$25

U.S. DEPARTMENT OF LABOR	FY 2020	FY 2021	Change
WIOA Programs – Adult Training	\$855	\$862	+\$7
WIOA Programs – Youth Training	\$913	\$921	+\$8
YouthBuild Activities	\$95	\$97	+\$2
Dislocated Workers	\$192	\$201	+\$9

## COMMERCE-JUSTICE-SCIENCE APPROPRIATIONS

The Commerce-Justice-Science (CJS) title of H.R. 133 provides \$71.1 billion in fiscal year 2021 discretionary spending, or \$2 billion below 2020 levels. State and local law enforcement programs and activities are receiving an increase of \$107 million.

U.S. DEPARTMENT OF JUSTICE	FY 2020	FY 2021	Change
State Criminal Alien Assistance Program (SCAAP)	\$244	\$244	---
Byrne-Justice Assistance Grant Program (Byrne-JAG)	\$547	\$484	-\$63
Community Oriented Policing Services (COPS)	\$340	\$386	+\$46
Victims of Crime Act (VOCA) Spending Cap	\$2,015	\$2,650	-\$635
Violence Against Women Act (VAWA)	\$503	\$513.5	+\$10.5
Second Chance Act	\$90	\$100	+\$10
Juvenile Justice Delinquency Prevention Act	\$320	\$346	+\$26
State & Local Opioid Abuse Reduction Activities	\$378	\$394	+\$16
Victims of Trafficking Grants	\$85	\$85	---

## HOMELAND SECURITY APPROPRIATIONS

U.S. DEPARTMENT OF HOMELAND SECURITY	FY 2020	FY 2021	Change
Federal Emergency Management Agency (FEMA)	\$22,527	\$21,936	-\$591
Border Wall System	\$1,375	\$1,375	---
FEMA Disaster Relief Fund	\$17,863	\$17,142	-\$721

Emergency Food and Shelter Program	\$125	\$130	+\$5
Emergency Management Performance Grants	\$355	\$355	---
Flood Hazard Mapping	\$263	\$263	---
Urban Area Security Initiative (UASI)	\$665	\$705	+\$40
State Homeland Security Grant Program	\$560	\$610	+\$50
Firefighter Assistance Grants	\$355	\$360	+\$5
Staffing for Adequate Fire and Emergency Response Grants (SAFER)	\$355	\$360	+\$5
Public Transportation Security Assistance	\$100	\$100	---
Port and Transit Security Grants	\$100	\$100	---

Pre-disaster Hazard Mitigation – The measure requires FEMA to brief the relevant congressional committees on the status of Pre-disaster Hazard Mitigation implementation, with a focus on how stakeholder views are incorporated, including the needs of local governments. FEMA is also directed to brief Congress on lessons learned from recent wildfires, including findings and policy recommendations.

## INTERIOR-ENVIRONMENT APPROPRIATIONS

U.S. DEPARTMENT OF THE INTERIOR	FY 2020	FY 2021	Change
Wildland Fire Management	\$5,553	\$5,200	-\$353
Fuels Management	\$194	\$220	+\$26
National Heritage Areas (NHA)	\$21.9	\$23.9	+\$2

Wildland Fire Management – The final budget deal provides over \$5.2 billion for wildfire management and suppression activities conducted by the Interior Department and the U.S. Forest Service. It should be noted that this figure includes a \$2.3 billion budget cap adjustment (created by the FY 18 omnibus spending law) that would provide additional spending authority to meet suppression costs that exceed the appropriation.

Payments-in-Lieu-of-Taxes (PILT) – The legislation provides an additional year of mandatory, full funding for the PILT program in fiscal year 2021.

Land and Water Conservation Fund – The *Great American Outdoors Act* (PL 116-152), which was enacted this summer, provides a permanent annual appropriation of \$900 million for the Land and Water Conservation Fund. The funding would be distributed as follows: \$405 million for Federal Land Acquisition (\$168 million increase), \$365 million for the State Grants Program (\$107 million increase), and \$135 million for the Non-Federal Grants Program (\$71.1 million increase).



Analysis of Fire Hazard Potential – The measure directs the U.S. Forest Service and the Department of the Interior to provide the Committees an estimate of the federal investment required to treat and restore all of the acres (federal and non-federal) classified as being at high or very high risk on the 2018 Wildfire Hazard Potential Map.

<b>ENVIRONMENTAL PROTECTION AGENCY</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Change</b>
State & Tribal Assistance Grants	\$4,246	\$4,314	+\$68
Clean Water State Revolving Fund	\$1,638	\$1,638	---
Drinking Water State Revolving Fund	\$1,126	\$1,126	---
Diesel Emissions Grants	\$87	\$90	+\$3
Targeted Airshed Grants	\$56	\$59	+\$3
State and Local Air Quality Management Grants	\$228	\$229	+\$1
WIFIA Program	\$60	\$65	+\$5
Brownfields Program	\$89	\$91	+\$2
Mexico Border	\$25	\$30	+\$5

### ENERGY AND WATER DEVELOPMENT APPROPRIATIONS

<b>U.S. ARMY CORPS OF ENGINEERS</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Change</b>
Army Corps	\$7,650	\$7,795	+\$145
Investigations	\$151	\$153	+\$2
Construction	\$2,681	\$2,692	+\$11
Operation and Maintenance	\$3,790	\$3,850	+\$60

<b>U.S. BUREAU OF RECLAMATION</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>Change</b>
Water & Related Resources	\$1,512	\$1,521	+\$9
Water Storage Projects ( <i>WIIN Act</i> )	\$134	\$134	---
CALFED Bay-Delta Restoration	\$33	\$33	---
Central Valley Project Restoration Fund	\$55	\$56	+\$1
Title XVI Water Reclamation and Reuse	\$64	\$64	---
WaterSMART Grants	\$55	\$55	---



U.S. DEPARTMENT OF ENERGY	FY 2020	FY 2021	Change
Department of Energy	\$37,087	\$39,625	+\$2,538
Energy Efficiency & Renewable Energy	\$2,790	\$2,862	+\$72
Weatherization Assistance Grants	\$290	\$310	+\$20

## AGRICULTURE APPROPRIATIONS

U.S. DEPARTMENT OF AGRICULTURE	FY 2020	FY 2021	Change
Rural Development Programs	\$3,241	\$3,236	-\$5
Supplemental Nutrition Assistance Program (SNAP)	\$67,886	\$114,036	+\$46,150
Supplemental Nutrition Program for Women, Infants, and Children (WIC)	\$6,000	\$6,000	---
Child Nutrition Programs	\$23,615	\$25,118	+\$1,503
Rural Water & Waste Disposal Program – Direct Loans	\$1,400	\$1,400	---
Rural Water and Waste Disposal Program – Grants	\$443	\$463	+\$20
Re-Connect Rural Broadband Program	\$555	\$635	+\$80
Broadband Grants	\$35	\$35	---
Rural Community Facilities – Direct Loans	\$2,800	\$2,800	---
Rural Community Facilities – Grants	\$32	\$32	---
Distance Learning and Telemedicine Grants	\$50	\$60	+\$10

**Hemp** – The explanatory statement that accompanies H.R. 133 acknowledges stakeholder concerns with the interim final rule on the establishment of a Domestic Hemp Production Program. Among other things, the statement directs USDA to ensure that there is a fair and reasonable regulatory framework for commercial hemp production in the United States. In addition, the bill directs USDA to develop regulations that protect the transportation, processing, sale, or use of hemp that may temporarily exceed the legal THC limits. Finally, the legislation directs the FDA to develop a policy of enforcement discretion for hemp products containing CBD and instructs the Agency to perform a sampling study of the current CBD marketplace to determine the extent to which products are mislabeled or adulterated.

**Broadband** – The bill provides \$635 million to support the ReConnect pilot program to increase access to broadband connectivity in unserved rural communities. It also directs USDA to target grants and loans to areas of the country with the largest broadband coverage gaps.

## WATER RESOURCES DEVELOPMENT ACT

Lawmakers included the text of the *Water Resources Development Act (WRDA) of 2020* in the year-end spending legislation. WRDA, which Congress typically renews every two years, authorizes projects and programs that fall under the purview of the U.S. Army Corps of Engineers. This year's water resources bill includes authorizations for a number of California-based projects and proposed feasibility studies.

WRDA 2020 also includes language that will "unlock" unspent balances in the Harbor Maintenance Trust Fund (HMTF). Due to constraints on congressional spending and the way in which the HMTF is structured, revenues deposited into the Fund have far exceeded annual appropriations, thus leading to the accumulation of a large surplus (roughly \$10 billion as of 2020). The provisions will facilitate the drawdown and expenditure of surplus HMTF dollars for key port maintenance projects.

The bill also includes language directing the Corps to carry out a demonstration program for detecting, treating, preventing, and eliminating harmful algal blooms (HABs). The final version of the legislation identifies several focus areas for the new initiative, including "the waterways of the counties that comprise the Sacramento-San Joaquin Delta."

Additionally, the WRDA package authorizes the Corps to provide technical assistance for resiliency planning, with priority given to economically disadvantaged communities and communities with repetitive flooding. The final legislation also allows for the calculation of sea level rise benefits for Corps projects and requires the Secretary to consider, when requested, whether the need for the project is predicated upon or exacerbated by conditions related to sea level rise.

## PUBLIC LANDS

### **Great American Outdoors Act**

This quarter, Interior Secretary David Bernhardt issued a secretarial order (Order 3388) regarding implementation of the *Great American Outdoors Act* (GAOA; PL 116-152). The GAOA shifted the Land and Water Conservation Fund (LWCF) from the discretionary side of the federal ledger to mandatory funding, which is not subject to the uncertainties of the annual appropriations process. The program is now guaranteed \$900 million annually, which can be used for state and local conservation efforts and the acquisition of federal lands and water. It should be noted that the new law also creates a trust fund, which is capped at \$1.9 billion per year, to address the deferred maintenance backlog on public lands.

Secretary Bernhardt's order requires written support for any federal land or water acquisition from both the respective state governor and the affected county. In other words, the directive would provide counties with much greater influence over any proposed federal land acquisitions. The order also requires the Interior Department to prioritize projects for the Fish and Wildlife Service (FWS) and the National Park Service (NPS) over any other bureau.

A number of Democrats have criticized the Secretary's action, contending that it violates the spirit of the Act. For his part, Senator Jon Tester (D-MT) – one of the key architects of the GAOA – recently sent a letter to Secretary Bernhardt urging him to rescind the order. According to the letter, the new directive will

create additional levels of bureaucracy that will hamstring future land acquisition through the LWCF. In addition, by prioritizing FWS and NPS, the order effectively ignores the Bureau of Land Management.

It should be noted that Congress is not necessarily bound by the secretarial order and will ultimately have the final say in determining the list of projects that will receive federal funding from the LWCF. Looking ahead, the expectation is that the incoming Biden-Harris administration will revoke the order.

## **Payments-in-Lieu-of-Taxes**

The fiscal year 2021 omnibus spending bill included an additional year of mandatory funding for the Payments-in-Lieu-of-Taxes (PILT) program. Earlier this year, 57 California counties received nearly \$54.6 million, up from \$51.7 million in fiscal year 2019. Counties should expect a small inflationary increase in fiscal year 2021.

## DISASTER/RESILIENCY

During the fourth quarter, the House approved legislation – the *FEMA Assistance Relief Act* (H.R. 8266) – that would require FEMA to provide full federal funding for COVID-19-related emergency aid. The measure also would clarify that FEMA could provide assistance for certain costs incurred by local governments during the pandemic, including payments for first responders, remote test sites, personal protective equipment, medical supplies, and food distribution. In addition, the measure would increase the federal cost share to 90 percent (up from 75 percent) for disaster aid stemming from the 2020 wildfires.

The *FEMA Assistance Relief Act* is a slightly amended version of another bill (H.R. 8112) endorsed by CSAC. H.R. 8112 – sponsored by Representatives Mike Thompson (D-CA) and Doug LaMalfa (R-CA) – would provide enhanced federal assistance to communities that have been impacted by a natural disaster in 2020. CSAC has also worked closely with Congressman John Garamendi (D-CA) on similar legislation, the *FEMA Disaster Preparedness Improvement Act* (H.R. 6071), which is designed to help counties prepare for and better respond to natural disasters. Specifically, H.R. 6071 would permanently increase the federal cost share for FEMA’s Hazard Mitigation Grant Program (HMGP) and the Emergency Management Performance Grant (EMPG) program to 85 percent, up from 75 percent and 50 percent, respectively. HMGP provides funding for local projects following a Presidential disaster declaration, while the EMPG program provides federal assistance for emergency preparedness. The bill also would provide extra flexibility for local governments to complete environmental reviews.

None of the aforementioned bills crossed the legislative finish line this year; accordingly, they will all expire at the end of the current congressional session. However, they will likely be reintroduced early in 2021.

## CANNABIS

In an historic first, the House of Representatives approved during the fourth quarter a comprehensive cannabis reform bill (H.R. 3884). The legislation, entitled the *Marijuana Opportunity Reinvestment and Expungement (MORE) Act*, would decriminalize cannabis at the federal level and create a pathway for resentencing individuals with prior cannabis-related convictions. As expected, the final vote for the

legislation fell largely along party lines, with five Republicans joining the vast majority of Democrats in supporting the bill.

In addition to removing cannabis from the schedules of substances under the *Controlled Substances Act*, the bill would authorize a five percent federal excise tax on cannabis sales, the proceeds of which would be designated for various programs in communities that have been most impacted by drugs. A percentage of the funding generated by the tax would be reserved for small business loans and grants to help socially and economically disadvantaged individuals participate in the cannabis industry. Grant funding would be available to local governments that take certain steps to minimize barriers to entry for those who qualify, such as waiving application fees.

Looking ahead, supporters of the *MORE Act* will be urging the Senate to consider the legislation in the new 117<sup>th</sup> Congress. The bill faces long odds in the upper chamber, however, where a number of key senators remain opposed to the measure.

We hope this information is useful to California county officials. If you have any questions or comments, please feel free to contact us.

