

Seattle's Federal Team



Council Briefing on New Administration and 115th Congress

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OUTLINE FOR TODAY

New Administration and Congress

- **Key Dates in 115th Congress**
- **Nominations for Cabinet Positions**
- **Key Issues to Watch**
- **Seattle's Federal Agenda**
- **Next Steps**

KEY DATES – 115th CONGRESS

- **Jan. 3, 2017:** House and Senate Sworn In
- **Jan. 11, 2017:** Senate expected to pass FY 2017 Budget Resolution to repeal healthcare; House expected to follow parallel process
- **Jan. 20, 2017:** 45th President-elect's inauguration
- **Feb. 6, 2017:** President is required by Public Law 101-508 to submit a budget request by the first Monday in February; there's no penalty for missing the deadline
- **Feb. 15, 2017:** Congressional Budget Office (CBO) is required to release its annual budget estimate
- **Mar. 15, 2017:** Debt ceiling expires
- **Apr. 15, 2017:** Deadline for Congress to adopt a budget resolution for FY 2018; there's no punishment for missing the deadline
- **Apr. 28, 2017:** The FY 2017 Continuing Resolution expires
- **Late Spring 2017:** FY 2018 Budget Reconciliation expected with tax reform measures

NOMINATIONS FOR CABINET POSITIONS

Confirmation Hearings (some dates/times still pending)

- **Tuesday, January 10**
 - Jeff Sessions (R-AL), Attorney General
- **Wednesday, January 11**
 - Rex Tillerson, Secretary of State
 - Elaine Chao, Transportation Secretary
 - Mike Pompeo, Director of the Central Intelligence Agency
 - Betsy DeVos, Education Secretary
 - John Kelly, Secretary of Homeland Security
- **Thursday, January 12**
 - James Mattis, Defense Secretary
 - Ben Carson, Housing and Urban Development Secretary
- **Wednesday, January 18**
 - Tom Price, Health and Human Services Secretary

ISSUES TO WATCH IN 115th CONGRESS

- **Healthcare Reform**
- **Tax Reform**
- **Immigration**
- **Civil Rights**
- **Infrastructure**
- **Housing/Homelessness**

KEY ISSUES

Healthcare Reform

- **Repeal the ACA through the FY 2017 Budget Reconciliation Process**
 - Includes Reconciliation instructions to authorizing committees
 - Allows immediate action on repeal of the ACA once reconciled
 - Focus on repealing federal premium tax credits that help low and middle income Americans afford insurance policies bought through the marketplaces and federal payments to states for expansions of Medicaid eligibility
- **Repeal will include 2-4 years to phase-in a replacement healthcare plan**
 - Cost: At least \$350 billion; some estimates say \$9 trillion in the long-term
 - Replacement Plan: Could include major structural changes to Medicaid, such as block grants to states, 1115 State Waivers

Healthcare Reform (Cont.)

- It is estimated that eliminating tax credits and Medicaid expansion would result in \$140 billion loss in federal funding for health care in 2019, leading to the loss of 2.6 million jobs (mostly in the private sector) that year across all states.
- It is estimated that repeal of the insurance premium and Medicaid expansion will lead to the loss of 41,000 jobs in Washington State in 2019.
 - \$27 billion lost in Gross State Product 2019-2023

KEY ISSUES

Tax Reform Package

- Significant cuts to income and corporate tax rates
- Eliminate estate tax
- Could be used to pay for ACA replacement
- Vehicle: FY 2018 Budget Reconciliation in the Spring

- Issues to Watch:
 - Tax exempt status of muni bonds
 - › Elimination would generate about \$500 billion over 10 years
 - › Trump promised to maintain during Mayors meeting
 - Low income housing tax credit
 - › Depends on private investment
 - › Strong bipartisan support
 - › Could see some collateral damage from other tax reforms

Immigration - Trump's 100-Day Plan/Campaign Promises

- **Sanctuary Cities**
 - › No Clear Definition; Legislation likely
 - › Administrative Rule - DOJ Grants in jeopardy
- **The Bridge Act in 115th – Protects “Dreamers”**
 - › Sponsored by Senators Durbin (D-IL) and Graham (R-SC)
 - › Deferred Action for Childhood Arrivals (DACA)
- **Deport up to 3 million immigrants**
 - › Strengthen penalties for staying in the U.S. longer than visa allows
- **Finish building the wall**
 - › Trump claims that the U.S. will pay for the wall, and then Mexico will reimburse
- **Implement reforms to require new mandatory minimums**
 - › 2-year mandatory minimum federal prison sentence on all illegal immigrants re-entering the U.S. after a previous deportation
 - › 5-year mandatory minimum for those re-entering the U.S. with a felony conviction or multiple misdemeanors

KEY ISSUES

Civil Rights

- **New Conservative Supreme Court Justice**
 - Trump released list of his potential nominees to replace the late Justice Scalia
 - If Trump makes any additional appointments while in office, the court could tilt strongly (6 - 3) conservative
- **The Department of Justice focus on Constitutional Policing may be deprioritized**
- **Funding for Planned Parenthood always a major target**
- **Administration has anti-LGBT records**
 - Senator Sessions has opposed every piece of legislation that aims to support LGBT individuals
 - Vice President Elect Pence – Signed bill into law as Governor to allow businesses to cite religious freedom when refusing service to gay and transgender, and voted against repeal of “Don’t Ask, Don’t Tell”
 - Education Secretary Nominee DeVos – supported groups that push conversion therapy

KEY ISSUES

Infrastructure

- **Elaine Chao to Lead Department of Transportation**
- **\$1 Trillion Infrastructure Bill**
 - Timing:
 - › Trump, Pence, Ryan: Not a priority for the first 100 days
 - › Inhofe, Shuster: Pay-for in the first 100 days, legislation in the second 100 days
 - Funding:
 - › Infrastructure Bank
 - › Tax Incentives to Leverage Private Investment
 - Housing
 - Infrastructure Task Force

KEY ISSUES

Housing/Homelessness

- **Dr. Ben Carson nominated for HUD Secretary**
 - No government experience; will look to Congressional Republicans
 - Critic of welfare – does not promote economic freedom
 - Prefers private charities to fund welfare needs
 - Likely to roll-back recently enacted Fair Housing Rules
 - More stringent job-seeking requirements
 - › Threat to elderly or disabled – made up more than half of subsidized housing recipients in 2015
- **Paul Ryan's Anti-Poverty Plan "A Better Way"**
 - Welfare Reform – Stricter rules to ensure that adults receiving welfare benefits are looking for work by requiring evaluations and testing
 - Would expand the Earned Income Tax Credit (EITC)

SEATTLE'S FEDERAL WORK PLAN

- Evolving process to identify, track, and promote City priorities at the federal level.

Work with Council and the Mayor to identify federal priorities



Identify and meet with designated “Federal Liaisons” in each City Department



Consolidate Department, Council, and Executive federal policy priorities



Prioritize and align with current and future federal landscape to best strategize and position City for success

SAMPLE DEPARTMENT PRIORITIES

Transportation

- Finalize funding for Lander; Secure Center City Streetcar; Madison BRT funding – support for transit initiatives
- Support for maintenance costs; infrastructure

Housing

- Pass the increased Low Income Housing Tax Credit

Public Health

- Protect the Affordable Care Act
- Sustain public health and prevention funding

Seattle Public Utilities

- Exempt green storm water infrastructure and water conservation rebates from federal income tax

Seattle City Light

- Maintain current tax treatment of municipal bond interest
- Continued advocacy for federal climate action
- Seek federal support for increasing electrification of the transportation sector

NEXT STEPS

- **Many areas of concern as Republican majority and Administration look to chip away at progressive reforms of the past eight years.**
- **Realign federal priorities to best protect and promote City values in new climate.**
- **Federal team will provide consistent updates; track City priorities; capitalize on opportunities to lead with progressive vision.**

Action Step	Timeline
Finalize Legislative Agenda for 115 th Congress	February 2017
Update on Transition Planning for New Administration	February-March 2017
Federal Priorities Letter to Congress	March-April 2017
Yearly Update of City Priorities	August-September 2017



Questions?

Thank You