

Washington Update

COUNTY OF SANTA BARBARA

January 25, 2021

PANDEMIC RELIEF

President Biden and congressional Democrats have agreed to prioritize additional pandemic relief as the first major legislative initiative for 2021. The Administration has proposed a \$1.9 trillion relief package called the “American Rescue Plan,” which includes a proposed \$350 billion in emergency payments to state and local governments. It would also provide additional direct payments to individuals, enhanced unemployment benefits, funding for vaccine distribution, and numerous other forms of assistance.

There are several possible legislative approaches for enacting another relief package, primarily distinguished by how much bipartisan support can be achieved in the Senate. President Biden has been seeking broader support for his proposals, while the more partisan budget reconciliation process is also being considered as an alternative. Recently, a bipartisan group of Senate moderates, including Senator Collins (R-ME) and Senator Manchin (D-WV), discussed the possibility of pursuing a more targeted approach that would lower the cost of the legislation.

LOCAL STABILIZATION FUNDING

President Biden’s *American Rescue Plan* does not specify how the proposed \$350 billion for state and local governments would be allocated and this will be a major issue to be resolved as the pandemic relief package is drafted by Congress.

One of the alternatives is Senate Majority Leader Schumer’s (D-NY) and Senator Gillibrand’s (D-NY) *Direct Support For Communities Act*, which would provide local governments with direct federal relief that can be used to pay for essential services and offset lost revenues or increased costs from the COVID-19

emergency. Under this approach, the local relief fund would be split 50/50, with half committed to cities, towns and villages, and half committed to counties. Cities would receive their allocation according to the Community Development Block Grant formula and county funding would be allocated according to population.

One of the main alternative proposals from last year for state and local stabilization funding was the *Bipartisan State and Local Support and Small Business Protection Act of 2020*. This approach was developed by a bipartisan group of Senators working with the Problem Solvers Caucus to propose pandemic relief in the closing days of the 116th Congress. That legislation would have provided the funding through the states rather than directly to local governments. Governors would have been required to distribute 40 percent of the state’s funding to local government but could choose from among proportional population, proportional revenue loss, or a combination of both.

LOWER MISSION CREEK

Last week, the U.S. Army Corps of Engineers informed Water Resources Deputy Director Tom Fayram that they would be allocating \$500,000 to the Lower Mission Creek Project to perform a general re-evaluation report. The County has been seeking this support from the Corps as a step to improving the benefit-cost ratio for the project, which is important for obtaining funding in the annual Corps budget. Representative Carbajal provided critical support for this effort by including supportive language in the recently enacted *Water Resources Development Act of 2020*.

INFRASTRUCTURE

President Biden is planning to follow up the push for pandemic relief by rolling out a major infrastructure initiative in February aimed at

assisting economic recovery from the pandemic disruption. Pete Buttigieg, the Biden nominee to serve as the Secretary of Transportation, also reiterated the need for infrastructure investment during his confirmation testimony before the Senate Commerce Committee on January 22.

A starting point for economic stimulus discussions is H.R. 2, the *Moving Forward Act*, which was passed by the House last July, but which was not taken up by the Senate during the 116th Congress. H.R. 2 proposed about \$1.5 trillion in spending on a broad array of infrastructure, with a \$494 billion reauthorization of surface transportation programs at the core of the effort. The legislation that is proposed this year is likely to be larger in size than H.R. 2, with significant additions intended to mitigate climate change and promote a green economy.

IMMIGRATION

On his first day in office, President Biden proposed a major overhaul of immigration laws. Under the legislation, immigrants who were in the Country as of January 1 would become eligible for legal permanent residence after five years and for U.S. citizenship after an additional three years. Participants in the Deferred Action for Childhood Arrivals program could apply for a green card immediately. The proposed legislation includes other revisions to the immigration process and an increase in refugee admissions. The legislation is likely to be opposed by most Republicans as too broad and lacking in border security measures.

SENATE ORGANIZATION

The election of two new Senators from Georgia has given Democrats control of the Senate. However, much of the ability of the new majority to organize has been held up pending a rules agreement between the parties on how the Senate will function under the current 50-50 split. This is most directly impacting the work of committees, which cannot effectively function until new members are assigned and new chairs are named.

Another wrinkle that could potentially slow legislative progress is the impeachment trial of former President Trump. Speaker Pelosi (D-CA) plans to forward the articles of impeachment to the Senate today and the trial is planned to begin on February 9.

HEMP REGULATIONS

The Agricultural Marketing Service published a final rule on January 19 that sets forth the USDA regulations for the domestic hemp production program. The hemp program previously was operating under an interim rule to implement the 2018 Farm Bill provisions allowing a new regulatory framework for hemp cultivation.

The January 19 final rule includes regulations used by the USDA to approve plans submitted by States and Indian Tribes for the domestic production of hemp. This rule also includes regulations on the federal hemp production plan for producers in States or territories of Indian Tribes that do not have their own USDA-approved plans.

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