Information Alert

State-Federal Relations Division

Congress Approves Full FY 2018 Omnibus Agreement
March 23, 2018

On March 23, Congress enacted, and the president is anticipated to sign the Consolidated Appropriations Act, 2018, more commonly referred to as the FY 2018 omnibus. The enactment follows the two-year budget cap agreement reached in February (read NCSL's Info Alert) that set overall funding levels for federal spending. While the funding approved in this bill lasts through September 2018, it remains unclear if Congress will enact FY 2019 funding later this year or if a continuing resolution will be needed.

NCSL Natural Resource and Infrastructure Committee staff compiled the summaries below covering transportation, energy, environment and agriculture issues that include top line funding levels for key agencies and programs within the committee's jurisdiction. If you have any questions or concerns please contact NCSL staff Ben Husch (202-624-7779), or Kristen Hildreth (202-624-3597).

Department of Transportation (DOT)

DOT would receive $27.3 billion in discretionary funding, $8.7 billion above enacted Fiscal Year (FY) 2017 levels, a result of an additional $10 billion in "infrastructure" funding included in the budget agreement earlier this year.

For highway programs, the bill provides $45 billion from the Highway Trust Fund, $1 billion above the FY 2017 levels, to five major federal highway formula programs, which matches the authorized levels in the 2015 FAST Act. In addition, the bill provides an extra $2.5 billion in discretionary highway funding that will be allocated through the existing formula grant programs. The National Highway Transportation Safety Administration (NHTSA) will receive $947 million, $36 million over the FY 2017 levels, while the Federal Motor Carrier Safety Administration is appropriated $845 million, $201 million above FY 2017.

Federal Transit Administration (FTA) programs are scheduled to receive $13.5 billion, $1 billion above FY 2017. Within this total, transit formula grants will provide $9.7 billion which also matches the levels authorized in the FAST Act. In addition to FAST Act programs, the bill provides an additional $834 million in transit infrastructure grants compared to FY 2017 including $400 million in grants to help modernize local bus systems, and $400 million for capital assistance to transit systems across the country to maintain a "state of good repair."

For rail infrastructure, the bill provides $3.1 billion, $1.2 billion over the FY 2017. Of that total, $1.9 billion is set aside for Amtrak, of which $650 million is for Northeast Corridor grants and $1.3 billion is to support the national network. Rail safety and research programs are funded at $287 million, $29 million over FY 2017. The bill also includes $250 million for grants to rail operators to install and implement positive train control (PTC) technologies.

The bill also includes a six-month extension of Federal Aviation Administration (FAA) authorization through the end of FY 2018, to provide additional time to approve a full reauthorization. Both the House and Senate are anticipated to approve their own version before the August recess with a conference bill approved before the end of FY 2018.

Additionally, the Transportation Investment Generating Economic Recovery (TIGER) Program will receive $1.5 billion, a $1 billion increase compared to FY 2017. TIGER grants are competitively awarded by DOT (FY 2017 awards were announced earlier this month) and provide funding to states' and local governments. At least 30 percent of the awards must go to rural communities.

Department of Energy (DOE)

Overall, DOE will receive $34.5 billion a $3.77 billion increase over FY 2017. Energy programs would receive $12.9 billion, $1.6 billion above FY 2017. Within these funds, the department's fossil program is slated to receive $727 million, up $59 million from FY 2017, while the Office of Energy Efficiency and Renewable Energy (EERE), and the Office of Nuclear Energy, would get $2.3 billion and $1.2 billion, respectively. The Nuclear Regulatory Commision would also receive $909 million, $4 million above FY 2017 levels.

DOE's science research programs would receive $6.26 billion, $868 million above FY 2017. Of particular note, the Advanced Research Projects Agency-Energy (ARPA-E), which the administration wanted to eliminate, would receive $353.3 million. Additionally, DOE's cybersecurity programs would receive $248 million, an increase of $18 million.

Department of Health and Human Services (HHS)

The bill provides $3.6 billion in formula grants for the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP is an assistance program that helps low income households pay for heating or cooling in their homes, the program aids in managing costs associated with home energy bills, energy crises, weatherization, and energy-related minor home repairs.

U.S. Army Corps of Engineers (USACE)

Overall, the USACE would receive $6.83 billion, a nearly $800 million boost and $1.8 billion more than requested by the president. This increase includes an additional $200 million for its construction account, and nearly $500 million more for operation and maintenance of its portfolio of locks, dams, and levees and ports. The bill appropriates $1.4 billion from the Harbor Maintenance Trust Fund, $600 million more from FY 2017, and also makes full use of estimated annual revenues from the Inland Waterways Trust Fund.

An additional $1.96 billion will be used to support flood and storm damage reduction activities.

Environmental Protection Agency (EPA)

Funding for EPA is maintained at FY 2017 enacted levels, at $8.1 billion, despite proposal in the president's FY 2018 budget to reduce funding by a third.

An increase of $600 million, to $2.9 billion, is included for the Clean Water and Drinking Water State Revolving Funds which help states and localities improve water infrastructure. $50 million is also provided for programs authorized by the Water Infrastructure for Improvements to the Nation (WIIN) Act to provide access to drinking and wastewater services and to address the issue of lead in schools. The Water Infrastructure Finance and Innovation (WIFIA) Act loan program was also allocated $63 million.

The Superfund program was given a $66 million increase to $1.15 billion, to help clean up the nation's most contaminated sites.

Department of the Interior (DOI)

The bill allocates $13.1 billion for DOI. The Bureau of Land Management (BLM) would receive $1.33 billion, an increase of $79 million from FY 2017 levels; the National Park Service (NPS) would receive an additional $225 million compared to FY 2017 for a total of $3.19 billion, of which $175 million would be provided for the construction backlog, maintenance and funding for new park units.

The U.S. Fish and Wildlife Service would receive $1.59 billion, a $75 million increase, which includes additional funds for State and Tribal Wildlife Grants and continues the prohibition on listing the sage-grouse as an endangered species. The Land and Water Conservation Fund (LWCF) is funded at $425 million, an increase of $25 million from FY 2017, and includes $124 million for the National Park Service State Assistance Program.

The U.S. Forest Service is poised to receive $5.93 billion of which wildland fire management would receive $3.82 billion. Most importantly, the bill both funds fire suppression activities at 100 percent of the 10-year average, and includes a cap adjustment to end the practice of "fire borrowing," by making fire suppression expenditures over 100 percent of the 10-year average for FY 2015 eligible for disaster assistance. The bill also expands the types of forest thinning projects that could proceed without a formal environmental review (categorical exclusions)

The bill fully funds Payments in Lieu of Taxes (PILT) at $530 million, a $65 million increase from FY 2017. PILT provides financial assistance to localities to aid with offset losses in property taxes due to non-taxable federal land within their boundaries.

Additionally, the Office of Surface Mining is funded at $255 million, $3 million above FY 2017, which includes $115 million to continue a pilot program to accelerate the reclamation of abandoned mine lands. The Bureau of Reclamation, would also see an increase of $163 million, bringing it to $1.48 billion, to help manage, develop, and protect water resources in Western states. Of those funds, $196 million of those funds will be used to address the 2016 drought that affected the West.

U.S. Department of Agriculture (USDA)
While USDA would receive $23.3 billion in discretionary funding, $2.1 billion above FY 2017, total budgetary resources were reduced by $7.6 billion to $146 billion, with nearly all reductions coming from food and nutrition programs.

Rural development programs are allocated more than $4 billion, $1.1 above FY 2017. This includes grants of nearly $1 billion in water and waste grants, more than $500 million above FY 2017 for clean and reliable drinking water systems and sanitary waste disposal systems and $1.2 billion for expanding rural broadband, more than $600 million above last year. Rural loan programs received $3 billion, $1.8 billion above the FY 2017 for rural water and waste program loans, and $6.9 billion for rural electric and telephone infrastructure loans, the same level as FY 2017.

Conservation programs, including the Environmental Quality Incentives Program, Conservation Reserve Program and the Conservation Stewardship Program were appropriated just over $1 billion. Farm Programs, which includes Farm Service Agency offices, are slated to receive $1.7 billion. The Food Safety and Inspection Service will receive $1.06 billion, an increase of $25 million above FY 2017

The bill provides $3.03 billion, $138.8 million above FY 2017 for agriculture research programs, including the Agricultural Research Service (ARS) and the National Institute of Food and Agriculture. The Animal and Plant Health Inspection Service was appropriated $985.1 million, $36 million above FY 2017, and funds programs aimed at helping to control or eradicate plant and animal pests and diseases that can impact U.S. producers.

There were also several non-funding provisions impacting agriculture production. The bill updates a provision in the Tax Cut and Jobs Act, commonly called the “grain glitch” so that farmers who sell their product to co-ops can deduct 20 percent of their net business income instead of 20 percent of gross sales. Without the change, many farmers would likely have paid little in taxes if they sold to co-ops. Another change includes a bill, the FARM Act, from Senator Deb Fischer (R-NE) that will continue an exemption for farmers from being required to report air emissions. Previously the exemption had been granted by EPA, but a recent court decision overturned the agency action from 2008.