



National Conference of State Legislatures Office of State-Federal Relations

Congress Releases Full 2017 Omnibus Budget Agreement

May 5, 2017

On April 30, congressional leaders [announced](#) that they had reached a \$1.017 trillion agreement on [federal spending levels for FY 2017](#). All indications are that the president will sign the bill shortly.

Over the past seven months, the federal government had been funded through a continuing resolution—the federal fiscal year runs from Oct. 1-Sept. 30. While spending levels are likely to differ by program, overall many programs either received level funding or a slight increase as compared to FY 2016. Additionally, many programs were funded at levels well above those [proposed](#) by the administration for FY 2018 when it released its “[skinny budget](#)” in March. Although these FY 2017 funding amounts have no direct bearing on FY 2018 at this time, they do provide some information as to how Congress will move forward with FY 2018 funding. The FY 2018 budget process is expected to begin shortly, with a new budget or continuing resolution (CR) agreement required by Oct. 1, 2017, or the federal government will shut down. The administration is expected to release its full FY 2018 budget proposal on May 22.

NCSL developed the summaries below based on funding levels for key agencies and programs within the jurisdiction of the Natural Resources and Infrastructure Committee. 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)

Most important, the omnibus spending bill fully funds, at authorized levels, federal surface transportation programs that were authorized as part of the [Fixing America’s Surface Transportation \(FAST\) Act](#), which was enacted in December 2015. The bill provides, via the [Highway Trust Fund](#), approximately \$43 billion for states and local governments for highway, road and bridge projects, nearly \$1 billion more than FY 2016. Additionally, the Federal Transit Administration will receive \$9.7 billion for disbursement through transit formula grants.

As for discretionary grants, the bill includes \$19.3 billion for DOT, \$681 million above FY 2016. Within this total, the omnibus includes \$2.4 billion in funding for transit programs, ensuring full funding for all existing grant agreements as well as directing DOT to allocate funding for those specific transit projects expected to sign a full funding grant agreement by the end of FY 2017, Sept. 30. Such a funding level directly contrasts with the proposed funding level included in the current administration's [skinny budget](#), which would have begun to wind down transit funding and programs.

Further, the department's discretionary funding includes \$500 million for the [TIGER grant program](#), matching last year's appropriation, and well above \$0 included in the administration's initial proposal for 2018. The TIGER program is a competitive grant program that provides DOT with significant discretion to fund projects certain infrastructure projects.

As prescribed by the FAST Act, Amtrak will receive approximately \$1.5 billion with \$328 million for the Northeast Corridor and \$1.2 billion for the national network. The Federal Aviation Administration (FAA) is funded at \$16.4 billion in discretionary funding, or \$127 million above FY 2017, and includes more than \$40 million over the FY 2017 request to further support the integration of unmanned aircraft systems or drones.

Additionally, the budget provides \$911 million in total budgetary resources for the National Highway Traffic Safety Administration, \$42 million above FY 2016. The Pipeline and Hazardous Materials Safety Administration will receive \$236 million, an increase of \$13 million.

Also included in the bill is the \$199 million for [Positive Train Control](#) (PTC) authorized in the FAST Act for FY 2017.

U.S. Army Corps of Engineers

The Army Corps of Engineers will receive \$6.038 billion, an increase of \$49 million above FY 2016. Within this total, the bill provides an estimated \$1.301 billion in funding from the Harbor Maintenance Trust Fund, which is a 3 percent increase from FY 2016 but below the revenue estimate of the Harbor Maintenance Tax. NCSL has long advocated for full use of such tax revenues. The bill allocates full appropriate revenues raised for the Inland Waterways Trust Fund.

Environmental Protection Agency (EPA)

Overall, the bill funds the Environmental Protection Agency (EPA) at \$8.06 billion, or roughly a 1 percent reduction from FY 2016, and nearly \$3 billion above the president's initial proposal for FY 2018.

EPA would receive roughly \$1.4 billion for the [Clean Water State Revolving Fund](#) and \$863 million for the [Drinking Water State Revolving Fund](#). Both totals match current funding for the programs. The [Water Infrastructure Finance and Innovation Act](#) (WIFIA) is provided an additional \$10 million. When combined with \$20 million from December's continuing resolution, funds for the program total \$30 million for FY 2017, allowing the program to leverage the funds for an excess of over \$3 billion in loans.

The [Targeted Airshed Grant Program](#) will receive a 33 percent increase from FY 2016 levels, raising to \$30 Million. The program aids local, state and tribal pollution control agencies in developing plans to reduce air pollution in nonattainment areas. EPA's geographic watershed programs would receive \$435 million, a slight increase of \$8 million from FY 2016. All programs maintain FY 2016 funding, except for the Long Island Sound and the Gulf of Mexico, which would double.

A few policy riders were kept out of the deal, including those targeting the previous administration's [Waters of the U.S. definitional rule](#) and the [Clean Power Plan](#), however, some made it in. The bill includes language requiring EPA, U.S. Department of Agriculture (USDA), and the Department of Energy (DOE) to establish clear policies that reflect the "carbon-neutrality of forest bioenergy." Additionally, language requires EPA to give states "some flexibility" to achieve compliance with [EPA's 2015 National Ambient Air Quality Standard \(NAAQS\) for Ozone](#) of 70 parts-per-billion (ppb), while many are still in nonattainment for the [2008 standard](#) of 75 ppb. The bill also prohibits EPA from making changes to certain agricultural exemptions under the Clean Water Act, requires reporting on the backlog of mining permits that are awaiting approval, and places a prohibition on the regulation of the lead content of ammunition and fishing tackle.

Department of Energy (DOE)

The CR funds DOE at \$31.18 billion, roughly \$1.4 billion more than FY 2016 levels.

Within this total, the measure provides \$2.1 billion for DOE's Office of Energy Efficiency and Renewable Energy, a \$17.2 million increase over current spending. Funding directed to states and localities includes \$228 million for the [Weatherization Assistance Program](#), \$13 million over FY 2016 levels, and the [State Energy Program Grant](#), which was increased to \$70 million, an increase of \$20 million, or 40 percent from FY 2016 levels. Both programs were marked for elimination by the administration in its initial FY 2018 proposal.

The bill also funds the Office of Science at \$5.39 billion, \$42 million more than FY 2016. Within the office, Applied Energy Programs would receive \$4.3 billion, a \$123 million increase from FY 2016, and Fossil Energy Research and Development would get \$618 million, \$14 million less than FY 2016.

Notably, the bill does not mention funding for the Yucca Mountain nuclear waste project, for which the president's proposed \$120 million to "restart licensing activities."

Department of Health and Human Services (HHS)

The bill provides \$3.9 billion in formula grants for the [Low-Income Home Energy Assistance Program](#) (LIHEAP), maintaining FY 2016 levels despite the president's proposal for an elimination of the program in FY 2018. 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. Department of Agriculture (USDA)

In total, the bill provides for \$153.4 billion, \$12.8 billion above FY 2016, although the increase is mainly related to mandatory spending. Discretionary funding represents \$20.88 billion, \$623 million below FY 2016. Within that total, Agricultural Research Service and land grant and non-land grant universities are allocated \$2.53 billion including \$244 million for [Hatch Act](#) formula funding for research at state agriculture experiment stations and \$477.4 million to support extension service activities.

The bill provides the Animal and Plant Health Inspection Services (APHIS) \$949.3 million, \$51.8 million more than FY 2016. Funding will include \$5.5 million to combat [citrus greening](#). Additionally, \$1 billion is provided for the Food Safety and Inspection Service (FSIS), \$17.2 million above the enacted FY 2016 level, to safeguard the nation's supply of meat, poultry, and egg products. Additionally, although covered under the Food and Drug Administration (FDA), the bill provides \$105 million for the [Food Safety Modernization Act's](#) Integrated Food Safety System.

Within USDA, rural development programs will receive \$2.94 billion, \$166 million above FY 2016. Contrary to the administration's proposal to eliminate funding for the [Rural Water and Wastewater Loan and Grant Program](#), the bill provides \$1.25 billion, the same as FY 2016 enacted levels, for rural water and waste program loans, and \$571 million for program grants and related costs, \$49 million above FY 2016. In addition, funding for rural electric and telephone infrastructure loans is maintained at the FY 2016 level.

For discretionary conservation operations at the Natural Resources Conservation Service, funding was increased by \$14 million, to \$864 million. However, mandatory conservation programs would see lower levels of funding, primarily due to sequestration rules that call for reductions in certain programs associated with the five-year, 2014 farm bill. The Environmental Quality Incentives Program (EQIP) was reduced by \$181 million, and the smaller Regional Conservation Partnership Program—which is tied to the EQIP—saw a reduction of \$28 million. EQIP provides financial and technical assistance to landowners to plan and implement conservation practices, while the RCPP funds projects in collaboration with nongovernmental providers such as universities, private industry and nonprofit organizations.

The bill provides \$1.62 billion for the Farm Service Agency (FSA), \$29 million above FY 2016, aimed to assist farmers and ranchers during a time of low commodity prices. The bill also prohibits the closure of FSA county offices.

One item that the bill did not include, was an additional financial support for either the dairy farmers or cotton growers. Instead, the Secretary of Agriculture was directed to issue a report within 60 days on administrative options for providing financial help.

Department of Interior (DOI)

Overall, the Department of Interior would see a slight increase funding to \$12.3 billion for FY 2017.

Within DOI, the Bureau of Land Management received \$1.25 billion, \$15 million above FY 2016. The National Park Service would receive \$2.93 billion, a 3 percent increase from last year. The Fish and Wildlife Service is funded at \$1.52 billion, a modest \$11.4 million increase from FY 2016, and includes \$62 million for [state and tribal wildlife grants](#). The bill also continues the prohibition on listing the [greater sage-grouse](#) as an endangered species, while allocating \$68.9 million, \$8.9 million more than FY 2016, to “conservation activities” for the bird.

Additionally, the FY 2017 budget fully funds the [Payments in Lieu of Taxes \(PILT\)](#) program at \$465 million. PILT provides funds for local governments to help offset losses in property taxes due to nontaxable federal lands within their counties. The [Land and Water Conservation \(LWCF\) Program](#), will receive \$400 million, \$50 million below FY 2016.

The U.S. Forest Service, which is technically part of the Department of Agriculture, would receive \$5.59 billion, of which \$3.2 billion is for wildland fire prevention and suppression. It would provide an additional \$407 million in emergency firefighting funds.

The bill would also provide \$253 million for the Office of Surface Mining and Reclamation, an increase of \$12 million. Within this total, an additional \$15 million in state grants would be made available through the [Abandoned Mine Reclamation Fund](#), rising to \$105 million from \$90 million in FY 2016.

Additionally, \$1.3 billion is provided for the Bureau of Reclamation including \$140 million tagged for short- and long-term drought response efforts in the West. Funding for the Bureau includes \$90 million for California water issue programs, as part of a deal in the [Water Infrastructure Improvements for the Nation Act \(WINN\)](#).

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