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October 30, 2023

The Honorable Chuck Schumer Majority Leader United States Senate Washington, D.C. 20510

The Honorable Mike Johnson Speaker of the House United States House of Representatives U.S. Capitol Building Washington, D.C. 20515

NATIONAL LEAGUE

OF CITIES

The Honorable Mitch McConnell Republican Leader United States Senate Washington, D.C. 20510

The Honorable Hakeem Jeffries Democratic Leader United States House of Representatives U.S. Capitol Building Washington, D.C. 20515

Dear Leader Schumer, Leader McConnell, Speaker Johnson, and Leader Jeffries:

As a resource and advocate for America's 19,000 cities, towns, and villages, the National League of Cities (NLC) is grateful for your leadership in keeping the federal government open and operating following the start of the new 2024 fiscal year. We write to urge your support to advance FY2024 appropriations legislation expeditiously on a bipartisan basis as the surest and most efficient way forward to completing this necessary work before the current continuing resolution expires on November 17. Furthermore, we urge you to move forward with clean spending bills that do not claw back or repurpose already approved Congressional funding, particularly for programs under the bipartisan Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act that have already impacted local budgeting or include policy riders that would negatively impact local government programs or initiatives.

NLC continues to strongly support the overall spending levels and controls negotiated earlier this year by Congressional leaders and the Administration that have served as the basis for bipartisan spending bills advancing in the Senate. As consideration of FY24 appropriations resumes, local governments are heartened that House Rules Committee Chairman Tom Cole has indicated any agreements to reduce spending below the levels negotiated as part of the debt ceiling agreement are no longer binding following the transition of the Speaker of the House. Given the patchwork of tax and expenditure limitations already imposed on local governments, any significant shift in federal funding for programs that cities, towns, and villages use would be immediately consequential. If substantial unanticipated reductions in local aid are enacted after the start of a new fiscal year, it could overwhelm local budgets which must be balanced, yielding long-term reductions in local government capacities and basic services.

As FY2024 appropriations are finalized, please consider the importance of the following programs to local governments and the residents they serve:

- Direct funding to local governments to address urgent housing and community development needs, including the Community Development Block Grant, HOME Investment Partnership, Homeless Assistance Grants, and Lead Hazard Reduction and Healthy Homes grant programs. Local leaders consistently report that more help is needed to address outsized needs related to housing and homelessness, which have compounded due to supply declines and labor shortages following the COVID-19 emergency. The 2021 Menino Survey of Mayors found funding and related capacity limitations remain serious obstacles to effectively reducing local homelessness, and the 2023 Housing Supply Accelerator Survey of local officials found that expanding and diversifying local housing supply is a high priority for large and small communities across the country. Recent spending data backs this up. According to the Department of the Treasury, state and local governments have dedicated more than \$6.6 billion in federal emergency funds towards long-term affordable housing, including both rental and owned homes, through June 30, 2023. Consistent funding for these annual programs is necessary to maintain efforts to address outsized local needs related to housing and homelessness as remaining emergency funds are spent down.
- Water infrastructure financing programs to support local drinking water, wastewater, and stormwater infrastructure, such as the Clean Water and Drinking Water State Revolving Funds and the Water Infrastructure Finance and Innovation Act (WIFIA), as well as water infrastructure grant programs that support small, disadvantaged and environmental justice communities, promote resilience and sustainability within the water sector, and advance technology innovation within water systems. Many of these grant programs were authorized under the 2022 infrastructure law but have not been appropriated.
- Disaster response and recovery funding and climate change mitigation, adaptation, and resilience programs to support communities on the frontlines of preparing for and responding to extreme weather events, reducing greenhouse gas emissions, and advancing clean energy. These programs include Building Resilient Infrastructure in Communities (BRIC), Flood Mitigation Assistance, Hazard Mitigation Assistance, the Energy Efficiency and Conservation Block Grant, Brownfields, and more across all federal agencies.
- Economic Development Administration (EDA) programs for local governments. EDA provides grants to meet the full range of communities' and regions' economic development needs including market analysis-driven planning, capacity building to support local entrepreneurship, and technical assistance related to local employer and worker needs. EDA grants prioritize job creation, mitigating economic distress in rural and underserved areas, and disaster relief. These highly sought grants have never been sufficiently funded, leaving economic conditions to decline for scores of communities that submit high-quality and worthwhile proposals.
- Workforce development programs to ensure that workers in our nation's cities, towns, and villages have the skills and workforce support necessary to meet the particular needs of local employers today and in the long term. Without an at-scale investment in workers, local economic conditions will be negatively impacted by the loss of opportunity and productivity associated with labor shortages.
- **Grants aimed at public safety and violence prevention**, including the Edward Byrne Memorial Justice Assistance Grant (Byrne JAG) Program, COPS Hiring Grants, initiatives authorized by the

Violence Against Women Act (VAWA), the Second Chance Act, and the Juvenile Justice and Delinquency Prevention Act play a pivotal role in bolstering local reentry initiatives, revamping behavioral health responses, overhauling the juvenile justice system, combatting the increase in hate crimes, fostering public safety through greater community trust in law enforcement, safeguarding the rights of all individuals, promoting innovation and technology, and expediting the progress of criminal justice reforms.

- Technical support for federal grant implementation including "Thriving Community" technical assistance funds at the U.S. Department of Transportation (USDOT), U.S. Department of Housing (HUD), and the U.S. Environmental Protection Administration (EPA) are showing great progress in bringing smaller and resource-disadvantaged communities into the federal grant process in a manner that leverages the fair and full use of every grant dollar across the country. NLC urges Congress to fully fund this capacity throughout the five-year infrastructure bill. Historic investment that does not ensure every Congressional district and smaller or disadvantaged community is eligible to participate may lead to further deterioration of infrastructure in communities that have not been eligible or able to apply for federal funds in the past.
- Extension of funding for the Affordable Connectivity Program, which provides broadband subscription support to over 20 million low-income households, more than 85% of whom live in cities, towns, and villages. Without an extension, these households will be abruptly cut off from broadband service in mid- to early 2024, when the current tranche of Affordable Connectivity Program funding is expected to be exhausted. NLC urges Congress to fully fund at least a one-year extension of this program, which is necessary to ensure that the broadband investments Congress made as part of the infrastructure law are best able to close the digital divide in all communities.

Thank you for considering our recommendations for FY2024 federal appropriations. We look forward to working with you to pass these essential appropriations bills and keep the federal government open and operational. If NLC can be of assistance, please contact Irma Esparza Diggs, NLC Senior Executive and Director of Federal Advocacy, at 202-626-3176 or <u>diggs@nlc.org</u>.

Sincerely,

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Clarence Anthony CEO & Executive Director National League of Cities