



## U.S. Policy Update



### Government Shutdown Averted – For Now

On September 30<sup>th</sup>, the U.S. Congress passed and President Biden signed into law H.R. 5860, the Continuing Appropriations Act, 2024 and Other Extensions Act, narrowly avoiding a government shutdown – for now. H.R. 5860 includes a continuing resolution or CR to maintain federal appropriations at Fiscal Year (FY) 2023 funding levels. However, the CR expires on November 17<sup>th</sup>, meaning a government shutdown is still an active possibility this year if the U.S. Congress is unable to pass FY24

appropriations legislation.

How was a government shutdown averted? Speaker Kevin McCarthy was forced to advance a “clean” CR – and rely on Democratic votes to pass it – after his proposed CR was opposed by 21 Republicans who believed the legislation did not go far enough to secure the southern U.S. border and cut government spending.

### FY24 Appropriations Legislation

With a stopgap CR in place to keep the government open for seven weeks, the Republican-led House will likely spend early October passing its versions of FY24 appropriations bills. However, these bills have no chance of clearing the Democrat-led Senate or being signed into law by President Biden. Why? Because the House and Senate versions contain vastly different spending levels – in addition to “culture war” policy riders opposed by Democrats – and whether these differences can be resolved in conference negotiations is far from clear.

Nevertheless, here is a closer look at the FY24 appropriations legislation that has been advanced by the respective appropriations committees in the House and Senate and how those bills relate to some of the [Cities Initiative’s 2023 U.S. federal priorities](#).

### ***Great Lakes Restoration Initiative (GLRI)***

The GLRI, which is administered by the U.S. Environmental Protection Agency (EPA), is a federal program to protect and restore the Great Lakes through habitat restoration and related activities. The House version of the FY24 Appropriations Act for Interior, Environment, and Related Agencies would provide \$368 million to the GLRI while the Senate version would provide \$373 million. Both proposals are well below the program’s fully authorized level of \$425 million. However, it is worth remembering that the GLRI received an additional \$1 billion over five years via the Infrastructure Investment and Jobs Act (IIJA), extra funding that U.S. EPA expects will facilitate the delisting of 22 of the 25 remaining Areas of Concern by 2030.

### ***Drinking Water State Revolving Fund (DWSRF)***

The DWSRF, a U.S. EPA-administered program, provides capitalization grants to states, which are then distributed through revolving loan funds to communities for lead service line replacement and other water-infrastructure projects. The House version of the FY24 Appropriations Act for Interior, Environment, and Related Agencies would provide \$460.61 million in base appropriations for the DWSRF while the Senate version would provide \$1.13 billion. The House version would be a dramatic 60 percent reduction compared to the FY23 enacted level. The harmful effects of this cut would be exacerbated by congressional earmarks, which account for \$410.31 million – or nearly 90 percent – of the House’s proposed FY24 funding level for the DWSRF. This would leave states with \$50.3 million in DWSRF funds to disperse nationwide, jeopardizing the ability of Great Lakes communities to obtain robust funding to expedite lead service line replacement and modernize deteriorating drinking-water infrastructure. The amount proposed by the Senate – \$1.13 billion – is consistent with the FY23 enacted level.

### ***Great Lakes Coastal Resiliency Study (GLCRS)***

The GLCRS is a federal program administered by the U.S. Army Corps of Engineers (USACE) to enhance understanding of coastal areas vulnerable to extreme weather and variable lake levels, identify effective coastal-resilience measures, and guide future investments in coastal infrastructure throughout the region. The House version of the FY24 Appropriations Act for Energy and Water Development, and Related Agencies (which funds USACE) would provide no funding for the GLCRS while the Senate version would provide \$3 million. The U.S. Congress has previously appropriated \$3.5 million for the study, which has a total price tag of \$10.6 million.

### ***Brandon Road Lock and Dam***

The Brandon Road Lock and Dam project, administered by USACE, is intended to prevent the migration of invasive carp up the Illinois Waterway into Lake Michigan. Neither the House nor Senate have proposed federal funding for Brandon Road in their respective FY24 appropriations bills. That is likely because the U.S. Congress has already provided almost \$274 million for the project’s construction phase – \$226 million via the IJA and \$47.88 million via last year’s appropriations process. However, these funds remain unspent since USACE and the State of Illinois have yet to sign a Project Partnership Agreement (PPA) to unlock them. Congressional appropriations for this crucial project are expected to continue once a PPA is in place.