

So What's in the New Trillion-Dollar Spending Bill?

By

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Even casual observers of federal appropriations issues are well aware that after a one-week stopgap measure, Congress has finally reached a deal to fund the government through September, the end of this fiscal year. But what exactly is in the 1,600-page legislation? In particular, what is in the bill that government contractors might care about?

While the spending bill covers a wide range of agencies and programs, here are a few highlights that might affect opportunities for government contractors who provide construction, IT, healthcare, and other services and goods:

Most notably, one of the biggest priorities of the White House – a border wall – did not get any funding as it was a dealbreaker for pretty much all Democrats, whose votes the Republican leadership needed to get the bill passed. However, the legislation does include \$1.5 billion for border security, allocated to such smaller scale items as fence repairs, drones, and sensors.

For defense contract spending, the Pentagon receives \$21.2 billion for 13 new Navy ships and \$15 billion for 131 more aircraft, including the F-35, the F/A-18E/F Super Hornet, the P-8A Poseidon, C/HC/KC/MC-130J Hercules, and KC-46 air tankers. There is \$2.5 billion for 159 helicopters, including the UH-60 Blackhawk, the AH-64 Apache, and the Lakota. And there is \$977 million for 145 Patriot missiles and 20 UAVs.

The Justice Department sees an overall decrease of about \$143 million, but certain specific sub-agencies and programs will see significant increases, including the FBI, DEA, and BATF. However, the planned new FBI headquarters project remains underfunded by about \$500 million. Notably, there is \$1.5 billion more for DOJ to invest in “short-term detention space” for undocumented immigrants and other federal offenders. DOJ grant programs will see an increase as well, including for example \$22.5 million more for police armored vests.

NASA gets an increase of \$368 million for a total budget of \$19.7 billion, which gives a boost to the Orion Multi-Purpose Crew Vehicle, the Space Launch System, and the missions to Europa and Mars.

Another headline is the NIH budget. Rather than the cuts suggested by the Administration, the bill actually increases NIH funding by \$2 billion, for medical research and development of treatments for a variety of conditions including Alzheimer's, brain injury, and resistance to antibiotics. Biotech and pharma companies, take note.

Opioid addiction – a topic getting a lot of attention these days – sees a specific appropriation of \$103 million to tackle this epidemic, as well as \$130.5 million more for the Substance Abuse and Mental Health Administration.

The EPA and the Pentagon got a total of \$157 million to continue work on water quality testing and improvements. Threats to drastically cut EPA generally did not materialize, with only a 1% reduction in its overall budget.

GAO, which provides government oversight and drafts reports on a range of topics – and which also handles bid protests – receives \$13.5 million in spending increases. As government contractors know, GAO can have a big effect on the industry, so more resources for its operations can be consequential.

The Library of Congress gets \$32 million more, mostly for data and computer upgrades.

There is an additional \$81 million to the National Park Service for park maintenance, which is a modest contribution to address the \$11 billion backlog of critical repairs on a variety of infrastructure assets including the Memorial Bridge in D.C.

For those contractors who bid on local jobs with the D.C. government, the bill funds the District of Columbia to the tune of \$756 million (\$26 million more than last year) for such projects as school improvements and security programs. WMATA also gets re-upped on its annual federal appropriation of \$150 million toward capital costs.

Absent from the bill are the bans on interaction with Cuba that have been included in past legislation. As such, U.S. companies are not prohibited from doing work with Cuban-owned entities (though other laws may apply to government contractors' interactions with foreign powers).

Finally, a noteworthy rider in the bill prohibits any rules or regulations that would require government contractors to disclose their campaign contributions as a precondition of eligibility to bid on federal contracts.

As the funding decisions are implemented, careful analysis of the appropriations bill in the coming days will help shed additional light on exactly what opportunities exist for government contractors.