

## Update on the Bipartisan Budget Act of 2018

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### An McV Government Affairs Alert

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On Friday, February 9<sup>th</sup> President Trump signed into law H.R. 1892, *Bipartisan Budget Act of 2018*. The legislation passed by comfortable margins in both the Senate (71-28) and House (240-186). The legislation extended funding of federal government operations through March 23<sup>rd</sup>, increased the allowable discretionary spending levels for defense and non-defense programs for FY2018 and FY2019, lifted the debt ceiling for borrowing by the federal government, and provided for disaster relief funding. The full text of the legislation can be found **here**.

The legislation included several provisions that will impact Puerto Rico. The legislation provides for \$89.3 billion for disaster relief and recovery emergency spending for communities in Puerto Rico, U.S. Virgin Islands, Florida, Texas and areas impacted by recent wildfires in the western U.S. This is the third supplemental spending provisions for disaster relief signed into law since August.

Some notable items the legislation provides for include:

- \$4.9 billion to increase Medicaid caps for Puerto Rico and the U.S. Virgin Islands for the next two fiscal years. Also, 100% of Federal Medical Assistance Percentage will be applied to new funds.
- \$9 billion for housing and urban development projects in Puerto Rico.
- \$2 billion to repair Puerto Rico's electrical grid.
- \$1.4 billion for the Federal Highway Administration's Emergency Relief Program is being made available for Puerto Rico and other impacted areas. Puerto Rico is also provided 100% federal cost share for damages resulting from Hurricanes Irma, and Maria for the next two fiscal years.
- \$519 million to repair Army National Guard sites in Puerto Rico and U.S. Virgin Islands.
- \$31 million for rehabilitation and repair Department of Labor Job Corps Centers in Puerto Rico.

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