



City of Bellevue

City Manager's Office

**DATE:** July 9, 2024**SUBJECT:** Federal Legislative Update, June 2024**OVERVIEW:****BELLEVUE FEDERAL ACTIVITIES**

Over the sweltering dog days of summer in Washington, DC, Congress will be doing the laborious work of preparing and negotiating the 12 annual spending bills before the end of the fiscal year. Besides trying to move the 12 annual appropriations bills, Congress is also readying other must-pass pieces of legislation such as the annual National Defense Authorization Act (NDAA).

At the other end of Pennsylvania Avenue, Executive Orders and announcements on climate change, immigration, and infrastructure were some of the biggest stories in June.

June federal affairs highlights for Bellevue include the City's trip to Washington, DC to meet with Bellevue's federal congressional delegation, and the US Department of Transportation's (USDOT) announcement of a \$25 million Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant for Eastrail which will close gap across the I-90 steel bridge. Other top issues are summarized below.

**BUDGET & APPROPRIATIONS**

The House kicked off the congressional appropriations process in May when it released its proposed topline numbers for 12 annual appropriations bills, which they are pushing for floor consideration by mid-July. The House's Fiscal Year (FY) 2025 appropriations bills follow spending caps set by the 2023 debt-limit law that equate to a 1 percent increase for defense spending and a 6 percent cut for nondefense funds.

So far, the House has passed out of the chamber the Military Construction-Veterans' Affairs (VA) appropriations bill. Three additional bills are slated for floor action this summer: the Defense, Homeland Security and State-Foreign-Ops bills. House appropriators also plan to complete committee work on the remaining spending bills for FY 2025 by July 10, including Agriculture-FDA, Commerce-Justice-Science, Energy and Water, Interior-Environment, Labor-HHS-Education and Transportation-HUD.

House Appropriations Bill	Subcommittee Markup	Full Committee Markup	Floor Vote Week of...
Agriculture-FDA	→ July 10	→ July 10	→ July 22
Commerce-Justice-Science	→ June 26	→ July 9	→ July 22
Defense	→ June 26	→ July 9	→ June 24
Energy and Water	→ June 28	→ July 9	→ July 29
Financial Services	→ June 28	→ July 9	→ July 22
Homeland Security	→ June 28	→ July 9	→ June 24
Labor-HHS-Education	→ June 27	→ July 10	→ July 29
Legislative Branch	→ June 27	→ July 10	→ July 8
Interior-Environment	→ June 28	→ July 9	→ July 22
Military Construction-VA	→ June 28	→ July 9	→ July 22
State-Foreign Operations	→ June 28	→ July 9	→ June 24
Transportation-HUD	→ June 27	→ July 10	→ July 29

Notes: Teal markers indicate activity expected this week. Floor vote refers to week targeted by House Republican leaders.

**Bloomberg Government**

In the Senate, top appropriators are negotiating topline spending numbers with the hope of beginning mark-up of the funding bills the week of July 18. While the House plans to maintain, or even decrease the spending limits set by the 2023 debt-limit bill, the Senate is likely to exceed the limits for both defense and nondefense funds. Senator Patty Murray (D, WA), Chair of the Senate Appropriations Committee, called the debt limit spending caps for FY 2025 grossly inadequate and is calling for an increase in nondefense funding. Key senators in both parties are also calling for an increase to spending on defense beyond the 1 percent increase prescribed in the debt-limit deal.

If the House and Senate meet their deadlines and have strong progress on the appropriations bills by mid-July, then Bellevue will have a good sense if its congressional spending requests (earmarks) will get through the appropriations process.

Two of Bellevue’s projects, listed below, were selected by its congressional delegation to be considered by the Appropriations Committee. At this time, we are aware that the Lake Washington Lake Sanitary Sewer Lake Lines Program was included in the House Interior subcommittee bill.

<b>Project</b>	<b>Amount</b>	<b>Advanced by</b>
<b>Lake Washington Sanitary Sewer Lake Lines Program:</b> Funding would help to complete the Management Plan focused on policy development, financial analysis, and capital program development.	\$500,000	Sen. Cantwell Rep. DelBene
<b>Bellevue Grand Connection: I-405 Crossing - Downtown to Eastrail:</b> Funds would support completion of the 30%-100% design.	\$2.5 million	Sen. Murray (\$1M) Sen. Cantwell Rep. Smith

**TAX**

Efforts have ramped up slightly in the Senate on tax matters. In January, the House passed a bipartisan \$78 billion tax proposal ([HR 7024](#)). The Tax Relief for American Families and Works Act of 2024 would expand the child tax credit, restore research and development (R&D) and other business investment taxes, increase the ceiling on the Low-Income Housing Tax Credit, among other things. The package has been stuck in the Senate, and its inability to move the tax package does not bode well for a slew of tax credits from the 2017 tax law that are set to expire in 2025.

For months, Senate Republican Finance Committee members have been part of working groups focused on developing proposals for specific tax issues in advance of the upcoming tax debate. In June, Senate Finance Committee Democrats announced they would release a menu of tax priorities and revenue raisers in advance of the 2025 tax cliff debate. While the official and complete “menu” is not available yet, Senate Finance Committee Chairman, Ron Wyden (D, OR) has stated that Democrats are aligned on the idea of increasing taxes on wealthy individuals and multinational corporations to cover efforts to ensure that, “...help gets to areas

that really need it, like housing and childcare...” Wyden called housing a “sleeper issue” and stated: “We’ve addressed some housing concerns with low-income housing tax credits. We’re going to really build on that. Everywhere I go, elected officials tell me at the top of their list is housing.” (*Roll Call*, 6/20/24)

Senator Maria Cantwell (D, WA), a member of the Senate Finance Committee, has made it clear that she wants the low-income housing tax credit to take precedence in this Congress. “We’re going to continue to make it a priority until it gets done,” Cantwell told reporters in June.

## **OTHER LEGISLATIVE MATTERS**

### **National Defense Authorization Act of 2024**

The House passed its annual defense policy bill (HR 8070) along mostly party lines June 14, which came after weeks of debate on controversial provisions related to abortion, diversity and foreign policy priorities. The House passed its annual defense policy bill (HR 8070) along mostly party lines June 14, which came after weeks of debate on controversial provisions related to abortion, diversity, and foreign policy priorities. The bill passed with a vote of 217-199 with three Republicans and six Democrats voting across party lines. The bill authorizes \$895.2 billion for defense programs at the Pentagon, Energy Department and other agencies for FY 2025. The total discretionary amount authorized under the measure aligns with spending caps set for national security programs under the 2023 debt-limit deal.

The Senate hopes to have its version of the NDAA ready for votes in July. Passing the bill in July versus waiting until the fall would give House and Senate negotiators more time to conference and, hopefully, avoid a mad dash to finish before the authorization deadline runs out.

### **Water Resources**

The House Transportation and Infrastructure Committee advanced a bipartisan bill (HR 8812) to reauthorize the Water Resources Development Act (WRDA). WRDA provides authorization to the US Army Corp of Engineers Civil Works Program, which oversees projects related to ports, harbors, waterways, flood and storm protection. The House bill authorizes nearly \$10 billion for 12 Corps projects around the country and directs the Corps to conduct 159 feasibility studies. It also adds language to reauthorize the National Dam Safety Program under the Federal Emergency Management Agency (FEMA) through 2028 and includes changes to strengthen the High Hazard Potential Dam program. These programs and authorizations for the Corps are important for projects like the Howard Hanson Dam and Mud Mountain Dam located in King County.

The Senate passed its version of WRDA (S. 4367) out of committee in May. Once both chambers pass out their bills, House and Senate negotiators will reconcile the two chambers’ bills with the intent of passing the legislation before the end of the year.

## **ADMINISTRATION ANNOUNCEMENTS & ACTION**

### **Definition for Zero-Energy Buildings**

On June 6, the Department of Energy (DOE) announced the release of a *National Definition of a Zero Emissions Building*. The department guidance does not hold legal weight, but the Administration hopes the new guidelines will create a baseline for what qualifies as a Zero-Emissions Building (ZEB). Officials from DOE and the Environmental Protection Agency (EPA) announced the plan to come up with a federal definition back in September as part of a DOE blueprint to reduce US building emissions 65 percent by 2035 and 90 percent by 2050. According to the DOE:

At a minimum, a building that achieves zero operational emissions from energy use must be:

1. Energy efficient.
2. Free of on-site emissions from energy use.
3. Powered solely from clean energy.

For more information see: [National Definition of Zero Emissions Building](#)

### **Immigration**

The White House issued three Orders in June related to immigration.

#### **The Parole in Place Executive Order.**

This order was announced June 18 and creates a streamlined path for undocumented spouses of US citizens to obtain legal status. It's estimated that the plan could affect over half a million migrants. Under the new policy, noncitizens who have been in the US for at least 10 years as of June 17 and are legally married to American citizens are eligible to remain in the country and apply for legal status. Currently, noncitizens must leave the US before being allowed to apply for permanent residency and work permits. The measure is expected to go into effect later this summer. For more information see: [Executive Orders – Immigration Unity and Stability of Families](#)

#### **Visa Process for US College Graduates, including Dreamers.**

The Administration announced policies to help people in the DACA program to obtain high-skilled worker visas. The new policy allows DACA recipients and other “Dreamers” that have earned a degree at an accredited US institution of higher education with a job offer in their field from a US employer to more quickly receive work visas.

#### **Interim Final Rule to Restrict Asylum During High Encounters at the Southern Border.**

On June 4, the Administration issued a Proclamation to temporarily suspend the entry of noncitizens across the US southern border. Additionally, the Administration pronounced a series of rules laying out restrictions related to asylum seekers at the US southern border when the number of those seeking entrance, “exceeds our ability to deliver timely consequences.” The restrictions will be discontinued and reinstated dependent on the level of boarder encounters.

According to the Department of Homeland Security, the rule makes three key changes to current processing under Title 8 immigration authorities during periods of high border encounters:

- First, noncitizens who cross the southern border unlawfully or without authorization will generally be ineligible for asylum, absent exceptionally compelling circumstances and unless they are excepted by the Proclamation.
- Second, noncitizens who cross the southern border and are processed for expedited removal while the limitation is in effect will only be referred for a credible fear screening with an Asylum Officer if they manifest or express a fear of return to their country or country of removal, a fear of persecution or torture, or an intention to apply for asylum.
- Third, the U.S. will continue to adhere to its international obligations and commitments by screening individuals who manifest a fear as noted above and do not qualify for an exception to the Rule for withholding of removal and Convention Against Torture protections at a reasonable probability of persecution or torture standard – a new, substantially higher standard than is currently applied under the Circumvention of Lawful Pathways rule.

Exceptions include situations where individuals or a member of their family is facing: an acute medical emergency; imminent and extreme threat to life or safety; or they meet the definition of “victim of severe form of trafficking in persons” (8CFR 214.11).

For more details see: [Fact Sheet Presidential Proclamation to Suspend and Limit Asylum at the Southern Border](#)

## **Award Announcements**

### Energy Efficiency Revolving Loan Fund Capitalization Grant Program

The District of Columbia and five states were the first to receive awards to establish loans and grants for energy efficiency audits, upgrades and retrofits. The goal of the Energy Efficiency Revolving Loan Fund Capitalization Grant program is to help states and territories expand access to low-cost financing for energy efficiency improvements. Winners of this first round of awards include the District of Columbia and the states of Illinois, Indiana, Pennsylvania, Tennessee and Vermont. DOE expects to announce additional rounds of awards for this program later in the year.

### Connecting People to Health Care and Other Services

USDOT announced 17 awards totaling \$78 million to improve access to critical health care and other services. Grants were awarded to organizations that coordinate public transportation for underserved groups. Hopelink, an agency serving King and Snohomish counties in Washington state, received an award for \$519,496. Funds will be used to, “buy software to significantly improve the user experience for riders seeking specialized transportation services to key destinations...”.

### Advanced Vehicle Technology Grants

USDOT announced a total of \$60 million in grants for the Saving Lives with Connectivity: Accelerating Vehicle-to-Everything (V2X) Deployment program. Grants targeted projects that deploy the V2X technology to connected and interoperable vehicle technologies. Grants were awarded to projects in Arizona, Texas and Utah.

### Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Infrastructure Awards

USDOT announced 148 projects across the country received a total of \$1.8 billion in awards from the RAISE discretionary grants program. Washington state received several awards, including an award of \$25 million for King County's proposal to close the I-90 gap located in Bellevue. The City of Bellevue is a partner with King County on this project. The full list of Washington state projects to receive awards is below:

<b>Washington State 2024 RAISE Awards</b>	
Lakewood Downtown Transportation Feasibility Study	\$1.1M
Tulalip Tribe I-5 Corridor Improvements	\$4.976M
Makah Tribe Neah Bay Multi-Use Barge Loading Facility	\$1.3M
Port of Bellingham Shipping Terminal Rail Connection	\$17.9M
Kitsap County Transit Maintenance Facility and Fleet Modernization	\$17M
Woodinville Eastrail Multi-Use Trail Plan	\$5M
Vancouver Heights District Infrastructure Phase I	\$17.5M
King County Closing the Eastrail I-90 Gap	\$25M
<b>Total Estimate Awarded:</b>	<b>\$89.7 M</b>

According to the press release from Senator Murray, Washington state was awarded the most grants and most amount of funding of any state in this year's round of RAISE awards.

### **Funding Notices**

#### Natural Gas Distribution Infrastructure and Safety

On June 18, USDOT is making \$200 million in funding available via the grant program Natural Gas Distribution Infrastructure and Modernization (NGDISM). Funds will target projects that mitigate safety risks and methane emissions from high-risk and leak-prone legacy natural gas distribution pipes. Deadline: June 20, 2024, see: [NOFO](#)

#### Charging and Fueling Grant Program

The Federal Highway Administration (FHWA) has made \$1.32 billion in funding available to support projects that improve public access to electrical vehicle charging and hydrogen, propane and natural gas fueling stations along designated alternative fuel corridors or other community locations accessible to drivers. Deadline: August 28, 2024, see: [NOFO](#)

### National Culvert Removal, Replacement, and Restoration Grant Program (Culvert AOP)

USDOT announced the availability of \$196 million for round two of the National Culvert Grant program. The program will fund projects that replace, remove or repair culverts that improve or restore fish passage with a priority given to species that are endangered. Deadline: September 23, 2024, see: [NOFO](#)

## **BELLEVUE FEDERAL AFFAIRS**

### **Washington, DC, Federal Affairs Trip**

Bellevue's Mayor, Deputy Mayor and Deputy City Manager visited Washington, DC in early June to meet with Bellevue's federal delegation. Meetings were held with representatives Smith and DeBene, Senator Cantwell and the office of Senator Murray. Bellevue representatives discussed the city's federal priorities and advocated for key programs and funding, including the RAISE grant for Eastrail, grant funding for wastewater infrastructure, and support for Bellevue's federal grant applications and congressional funding requests.

As mentioned prior, USDOT announced on June 26 that the Eastrail Closing the I-90 Gap project was awarded a \$25 million grant. This is a significant award to help complete this key Eastrail project for King County and the City of Bellevue.

In addition to meetings on Capitol Hill, the Bellevue delegation also met with the National League of Cities (NLC) to learn more about the benefits and opportunities NLC can afford cities like Bellevue.

### **Bellevue Tour for Rep. Smith's Legislative Director**

On June 18, Bellevue hosted a City Hall tour and meeting with Victoria Bautista, Rep. Adam Smith's Legislative Director. This was an opportunity to provide Victoria a first-hand tour of plans and concepts around the Grand Connection project and for her to meet with some of the project managers. Other related Bellevue federal priorities were also included in the discussions.

### **Rep. Smith Housing Proposal**

Bellevue had the opportunity to preview and provide comments on a bill being developed by Rep. Smith to address the national housing shortage. This was an opportunity for Bellevue to weigh in on matters related to housing, zoning and land use, and to work with Rep. Smith's office on ways to support the development of housing in our region and the nation.