



DATE: January 22, 2024

SUBJECT: December Federal Legislative Update

Federal lawmakers accomplished work on the National Defense Authorization Act before recessing for the holiday break in December. All other legislative work, including any further work on funding bills for fiscal year 2024 (FY 24) and additional funding for US allies, was pushed to 2024. Legislation to reauthorize the Farm Bill and the Federal Aviation Administration (FAA) were also punted to 2024.

It's not expected that any of the political challenges that plagued lawmakers during December will change much when they return in January for the start of the presidential election year. 2024 is expected to be an extremely challenging legislative year for Congress and the president. It will take an enormous amount of heavy lifting and compromise for Congress and the White House to keep the government funded and make good on major national and international commitments.

BUDGET & APPROPRIATIONS

In November, a short-term Continuing Resolution (CR) was enacted to keep the government funded and operating until mid-January and February. The two-tiered stop-gap measure, which does not contain policy changes or additional "supplemental" funding, was passed with broad bipartisan support (336-95). It funds through January 19 agencies covered by the Agriculture, Energy-Water, Military Construction-VA and Transportation-HUD bills. The other eight appropriations bills (Commerce-Justice-Science; Defense; Financial Services; Homeland Security; Interior; Labor-HHS-Education; Legislative Branch; and State and Foreign Operations) are funded through February 2. The CR also extended key Farm Bill programs covering nutrition (SNAP, etc.), community health centers, the National Flood Insurance Program, Temporary Assistance for Needy Families (TANF) and some critical national security programs (cybersecurity, etc.).

With the government funded until early 2024, it was hoped that Appropriators could reach agreement on topline spending numbers for the FY 24 bills during December to tee up quick consideration of appropriations bills in January and February ahead of the CR deadlines. Unfortunately, conservative Freedom Caucus members who are upset about the compromise CR dug in deeper on their demands for significant spending cuts making a deal with Democrats impossible before Congress recessed for the three-week holiday.

National Security Supplemental Package

In response to the President's request for \$106 billion in emergency aid for Ukraine, Israel and US allies in the Indo-Pacific, House Republicans in early November passed a bill along party-lines to provide supplemental funding to support Israel. HR 6126 would provide the Defense and State departments \$14.3 billion in supplemental FY 24 funding to provide emergency aid for Israel. The measure funds this by rescinding the same amount provided to the IRS in the president's Inflation Reduction Act (IRA). The pay-for proposal is opposed by the White House and congressional democrats.

While House Republicans were quick to respond to support Israel, they have conditioned support for any additional funding to Ukraine on additional security measures at the US southern border.



In early December, the Pentagon announced it will run out of money to replace US weapons sent to Ukraine by December 30, unless Congress approves new funding. Knowing that a bill that contains additional Ukraine funding will not pass in the Republican-controlled House and meeting demands of its own caucus members for additional attention at the southern border, Senate Republican leadership are pushing their Democratic colleagues to negotiate a Ukraine and Israel aid package that contains border security measures. Senate Republican demands include policies that will tighten asylum eligibility, increase migrant detentions and deportations and establish new authority to turn away asylum seekers at the border. A bipartisan group of senators continued talks throughout December and over the recess on these and other border security issues. While progress is slow, negotiators and Senate leaders from both sides continue to express their commitment to reaching a deal that can move through the chamber in the early weeks of January.

NATIONAL DEFENSE AUTHORIZATION ACT

The only legislation completed during December was reauthorization of the National Defense Authorization Act (NDAA). The \$886 billion defense policy bill provides authorization to the Pentagon and outlines military budget priorities each year. It passed Congress with bipartisan support after controversial provisions related to abortion and LGBT rights were dropped and concessions were made to conservatives to include a pay cap and hiring freeze on defense employees dedicated to diversity and equity programs, a ban on unapproved flags such as the pride flag, etc.

FEDERAL AVIATION ADMINISTRATION EXTENSION

The Federal Aviation Administration's authorization was extended for a second time through March 8. Efforts to move the reauthorization bill stalled because of disagreements in the Senate over issues dealing with the shortage of air traffic controllers (training requirements, etc.), outdated technology, safety related to near-misses at airports, pilot training requirements and hours and unstable funding. The airline industry is facing numerous challenges lingering from the COVID shut-downs and the subsequent sharp rise in air travel after the pandemic. All of this has added new challenges and issues for the FAA. The Senate had hoped to move a five-year reauthorization bill before the holiday recess but will now be faced with negotiating a package during the legislative crunch of January and February along with other key funding packages.

FOOD SECURITY - SUMMER ELECTRONIC BENEFIT TRANSFER PROGRAM FOR CHILDREN

The Summer Electronic Benefits Transfer Program (EBT) was a temporary program created as part of the federal COVID-19 emergency response. It extends the federal school lunch program to eligible children over the summer months when schools are not in session. During the COVID-19 emergency, the federal government shouldered 100% of the cost of the program.

The program was made permanent via a deal included in the FY 23 appropriations package. Under the new permanent program, however, states will need to contribute 50% of the program's administrative costs. States have been slow to sign up for the permanent program, citing the short registration timeline (January 1, 2024) and costs as barriers to getting the program ready for the summer of 2024. Washington State, however, is among the states [listed](#) as ready to implement the program this summer.



For 2024, the program will provide \$120 per eligible child during the summer when kids are typically not able to access school meals. The benefit is adjusted to inflation, helping families meet rising food costs. Anti-hunger advocates call the program a “once-in-a-generation” and “transformational” expansion of the social safety net through a new federal food program with as much as \$3.6 billion in funding eligible to states.

ADMINISTRATION NEWS

Safe Streets and Roads for All Grant Awards

This month USDOT announced \$813 million in awards through the Safe Streets and Road for All (SS4A) grants.

Planning and Demonstration Awards were received by a few recipients in the Puget Sound area, including the City of Bellevue.

- \$2,787,894 to the City of Bellevue for planning and demonstration activities.
- \$160,000 to the City of Mercer Island for a comprehensive safety action plan.
- \$2,870,000 to PSRC to coordinate ten local safety action plans.

For the full list of Planning Grant winners see: [SS4A Planning & Demonstration Grant Awards 2023](#)

Implementation grants were awarded to three Washington entities:

- \$11,729,500 to the City of Richland, WA for implementation of a downtown connectivity project on George Washington Way, Jadwin Ave and Symons Street.
- \$9,600,000 to the City of Spokane for the Safe Streets for Spokane project.
- \$5,696,000 for the City of Vancouver for the Fourth Plain Street and Mobility Improvement Project.

See full list of award winners here: [SS4A Implementation Awards 2023](#)

The City of Bellevue had submitted a \$20 million SS4A Implementation Grant proposal for the B-SAFE Project.

Wildlife Crossing Grant Awards

USDOT's Federal Highway Administration (FHWA) announced \$110 million in grants for 19 wildlife crossing projects in 15 states, including four Indian Tribes. Two projects in Washington state received funding:

- \$8,495,000 to the Stillaguamish Tribe to design and construct a wildlife over pass on rural State Route 20 in Skagit County.
- \$216,250 to the Puyallup Tribe (in partnership with WSDOT, Washington Fish & Wildlife and US Forest Service) for planning and scoping of a wildlife crossing structures along 24 miles of SR 12.

Proposed Rules - Section 45X Advanced Manufacturing Production Credit



On December 14, US Treasury released proposed guidance on the section 45X Advanced Manufacturing Production Credit. Public comment on the proposed regulations is open for 60 days before final rules will be announced. The proposed rules seek to clarify definitions, amounts of the credits available and the types of eligible components, including solar energy components, wind energy components, inverters, qualifying battery components and applicable critical minerals. It also proposes definitions for key terms to incentivize production in the United States and to clarify the circumstances under which taxpayers can claim the credit. [Section 45X Manufacturing Production Credit Proposed Rules](#)

Guidance - Sustainable Aviation Fuel Tax Credit

On December 15, US Treasury released guidance on the Sustainable Aviation Fuel (SAF) tax credit. Created under the Inflation Reduction Act, the SAF tax credit hopes to spur innovation in the aviation industry in the development and use of sustainable alternative aviation fuel. According to the guidance, SAF that achieves a lifecycle greenhouse gas (GHG) emissions reduction of at least 50% as compared with petroleum-based jet fuel can qualify for the credit. These include valid biomass-based diesel, advanced biofuels, cellulosic biofuel, or cellulosic diesel that have been approved by EPA under the Renewable Fuel Standard (RFS). Producers of SAF are eligible for a tax credit of \$1.25 to \$1.75 per gallon. SAF that decreases GHG emissions by 50% is eligible for the \$1.25 credit per gallon amount, and SAF that decreases GHG emissions by more than 50% is eligible for an additional \$0.01 per gallon for each percentage point the reduction exceeds 50%, up to \$0.50 per gallon. [Sustainable Aviation Fuel Tax Credit Guidance](#)

New Grant Announcements

Flood Mitigation Assistance Program - \$300 million is available through FEMA to support local governments to reduce or eliminate the risk of flood damage to structures insured by the National Flood Insurance Program. Deadline: 1/15/25 [NOFO: Flood Mitigation Grants FEMA](#)

Bridge Investment Program - \$9.6 billion is available through USDOT for bridge projects that are on the National Bridge Inventory. Funding is available for "large bridge projects" (over \$100 million) and "bridge projects" (less than \$100 million) for replacement, preservation or protection projects, and for "planning". Projects to replace or rehabilitate culverts to improve flood control and habitat are also eligible under the "bridge project" category. [Bridge Investment Program](#)

BELLEVUE FEDERAL AFFAIRS

Bellevue had a robust federal affairs month during December.

Bellevue Chamber Washington, DC, Fly-In Trip - Several members of Bellevue's elected and administrative leadership team represented the City during the Bellevue Chamber's DC Fly-In. This included Mayor Robinson, Councilmember Nieuwenhuis, Acting City Manager Diane Carlson and Chief of External Affairs Genesee Adkins. The trip was an opportunity for the City to partner with Bellevue's business community in meetings with members of our federal congressional delegation and the Administration. It was also an opportunity to affirm the City's federal priorities with our federal partners. The group had meetings with Reps. Adam Smith, Kim Schrier, Suzan DelBene and Rick Larsen and with Senators Cantwell and Murray. A meeting was also held at the White House with Administration representatives.



Indian Consulate Office - In addition to participating in the Bellevue Chamber's trip to DC, Bellevue's team continues to closely coordinate and communicate with our federal partners regarding Bellevue as a possible location of the Indian Consulate's Puget Sound area office. An office in the Puget Sound region would be India's sixth consulate in the US and will serve nine states: Washington, Oregon, Alaska, Montana, Nebraska, North Dakota, South Dakota and Wyoming. Other office locations include San Francisco, New York City, Atlanta, Chicago and Houston. The City of Bellevue sent an official letter of interest to the Consulate General in July.

Safe Streets and Roads for All (SS4A) Grant Award – Bellevue has won a \$2,787,894 SS4A Planning and Demonstration Grant from USDOT. Funds will support the City's planning and demonstration activities around transportation safety projects. This is the second largest SS4A Planning and Demonstration Grant awarded in Washington State during the FY 2023 round of funding. The largest award went to the Puget Sound Regional Council (\$2.870 million). Over \$11.8 million was awarded in SS4A Planning and Demonstration grants to Washington state entities. Bellevue coordinated with Rep. Adam Smith's office about the award announcement.