

City Manager's Office

DATE: June 11, 2024

SUBJECT: Federal Legislative Update, May 2024

Congress made progress on another must-pass bill in May, passing reauthorizing legislation for the Federal Aviation Administration (FAA), and addressed immediate needs like FY 2024 funding, the extension of some key programs (i.e., National Flood Insurance, etc.) and supplemental funding for foreign allies, paving the way for lawmakers to shift much of their focus to campaigns going forward.

While lawmakers need to pass a stopgap funding measure to keep the government open at the start of the new fiscal year in October, other substantive issues (the Farm Bill, National Defense Authorization Bill, FY 2025 funding, taxes, etc.) will almost certainly be delayed until the lameduck session or possibly the new Congress. What might hit the chamber floors over the next few months will be noncontroversial issues (post office naming bills) or bills designed to send a political message to rally support but have little chance of becoming law.

Much like April, May was a month to push through must-pass legislation before the summer campaign season kicks into high gear. In addition to enacting the FAA reauthorization bill, important groundwork was laid for a busy legislative session in the fall.

BUDGET AND APPROPRIATIONS

The House kicked off the congressional appropriations process by releasing its proposed topline numbers for the 12 appropriations bills. The House's FY 2025 appropriations bills will follow spending caps set by the 2023 debt-limit law that equate to a 1% increase for defense spending and a 6% cut for nondefense funds.

Bill	Defense	Nondefense	Total
Agriculture-FDA	\$0B	\$25.9B	\$25.9B
Commerce-Justice-Science	6.4	74.0	80.3
Defense	832.9	0.2	833.1
Energy & Water Development	34.2	25.0	59.2
Financial Services	0.0	23.6	23.6
Homeland Security	3.4	61.4	64.8
Interior-Environment	0	36.9	36.9
Labor-HHS-Education	0	184.6	184.6
Legislative Branch	0	7.1	7.1
Military Construction-VA	18.0	129.6	147.5
State-Foreign Operations	0	51.7	51.7
Transportation-HUD	0.4	90.8	91.2

House Republican Appropriators have indicated, however, that they plan to dismiss the unwritten "side deal" in the 2023 debt-limit law that would have allowed billions in additional funding for nondefense spending above the discretionary funding caps set in the law (i.e., use of "emergency spending" clauses). The "side-deal" would have allowed about a 1% increase in non-defense spending. The deal also helped to secure Democratic support for the debt-limit law, and its exclusion from consideration in House appropriations bills is drawing opposition from Democrats.

In the Senate, the Appropriations Committee began a series of agency budget hearings during May but has not released any topline spending numbers for FY 25.

FY 2025 Earmarks

Congressionally Directed Spending/Community Project Funding proposals (earmarks) are under consideration for FY 2025. House members had a deadline of mid-May to disclose the 15 projects they would put forward for consideration by the House Appropriations Committee.

Bellevue submitted three funding proposals to its congressional delegation, two of which were selected by its House members to move forward to committee consideration:

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

Bellevue's third proposal – \$885,534 for Bellevue and Redmond's Electric Fire Engines & Charging Infrastructure – was not selected to advance in the House but still has a chance in the Senate. Senator Murray and Senator Cantwell have begun to release their FY 25 earmark lists but those are not complete and are released in a "rolling" fashion.

Proposals selected by Members of Congress to advance to the Appropriations Committee is a long, competitive and complicated process that first requires vetting by the Appropriations Subcommittee before going to the full committee, then must pass the full chamber, make it through conference between the House and Senate, and finally get approved by Congress.

OTHER LEGISLATIVE UPDATES

FAA Reauthorization Bill

After many months of contentious and often-stalled negotiations, Congress reached a compromise to pass a bill to reauthorize the Federal Aviation Administration. Under HR 3935, the "FAA Reauthorization Act of 2024", the FAA is authorized to receive more than \$105 billion through fiscal 2028. The total authorization includes \$66.7 billion for FAA operations, \$19.4 billion for airport infrastructure grants, \$17.8 billion for facilities and equipment and \$1.6 billion for research and development, according to a <u>summary</u> from the Senate Commerce, Science, and Transportation Committee. Other bill highlights include:

- Extends ticket and fuel taxes that support the Airport and Airway Trust Fund at current levels through fiscal 2028, and the authority to spend money from the trust fund for key FAA programs.
- Reauthorize through fiscal 2028 the National Transportation Safety Board.
- Add more long-distance flights at Ronald Reagan Washington National Airport.
- Require airlines to provide refunds for canceled or significantly delayed flights and to passengers with disabilities if they can't accommodate wheelchairs.
- Require the FAA to establish requirements for a pilot training program and increase air traffic controller hiring targets.
- Require the FAA to establish a process to continuously track and evaluate ground and air traffic-related incidents and ensure deployment of systems to bolster ground safety.
- Modify rules for drone operations, including to operate beyond line-of-sight and expand recreational operations.
- Overhaul rules around general aviation, a term that covers civilian air operations outside of what's provided by commercial airlines, such as private and recreational fliers.

Water Resources Development Act

The Water Resources Development Act (WRDA) is biennial legislation that authorizes flood control, navigation and ecosystem restoration projects for the U.S. Army Corps of Engineers (USACE). The Senate Committee on Environment and Public Works passed a bipartisan version of the bill on May 22nd with unanimous committee approval. According to the committee statement, the bill will, "...impact all 50 states, including 81 feasibility studies and eight new or modified construction projects." A full summary of the bill can be found here: <u>Senate EPW</u> WRDA Summary.

The House Transportation and Infrastructure Committee has not yet moved on the bill.

Farm Bill

The Farm Bill is reauthorized approximately every five years. The bill authorizes programs that support farmers, ranchers, and low-income families through nutrition and agriculture programs. The last multi-year reauthorization occurred in 2018 (Public Law 115-334) and was due to expire in 2023. The Farm Bill was temporarily extended for one year under the November 2023 stopgap measure, but little progress has been made to consider reauthorization proposals until recently.

In May, the House Agriculture Committee released a detailed House framework of the Farm Bill that includes provisions from more than 150 House bills from members on both sides of the aisle. Senate Agriculture also released a <u>Senate framework</u> of the "Rural Prosperity and Food Security Act" on May 1, which includes more than 100 bipartisan bills.

Both the House and Senate frameworks would expand Supplemental Nutrition Assistance Program eligibility to certain individuals, repurpose conservation funds from the Inflation Reduction Act and expand broadband access in rural areas. But there are key differences within some of the proposals. For example, the Senate measure would redirect conservation funds to climate-smart initiatives while the House would invest in existing programs. House and Senate Agriculture leaders have said that they're determined to pass a five-year farm bill reauthorization this year but there's a long way to go before agreement is in sight.

ADMINISTRATION UPDATES

Award Announcements

Weatherization Assistance Program

The Department of Energy announced that 13 projects won a total of \$25 million to "...perform innovative and comprehensive energy-saving repairs and upgrades to make low-income homes more climate resilient and lower energy costs for families." Among the awardees was Pierce County, WA, which won \$2 million.

Fish Barriers and Passage Grant Awards

NOAA <u>announced</u> the funding awards for the Fish Passage Barrier Removal grants. In Washington state, 4 projects were awarded grants.

- \$1.6 million for Chelan County's Wenatchee Basin Fish Barrier Removal Project;
- **\$8.4 million** for Trout Unlimited's Olympic Peninsula Coldwater Connection Campaign Fish Passage Project Phase 2;
- \$11.7 million for Tulalip Tribes Tulalip Fish Passage Collaborative; and
- **\$7 million in year one, up to \$14 million over 3 years for** Yakama Nation's Yakima River Fish Passage

Safe Streets and Roads for All (SS4A)

USDOT announced the first of three rounds of awards for the SS4A program. Announcements in May cover 99 awards totaling nearly \$64 million for Planning and Demonstration Grants. Two Washington state projects received awards:

- \$320,000 for the City of Mercer Island Pedestrian and Bicycle Facilities Plan Conduct Demonstration or Other Supplemental Planning Activities; and
- \$56,000 for the City of Ridgefield ADA Transition and Mobility/Access Plan Conduct Demonstration or Other Supplemental Planning Activities.

The second round of awards is expected to be announced in August.

Funding Opportunities

FTA Transit-Oriented Development Planning Grants

FTA announced the availability of \$10.5 million in competitive grants for agencies to plan transitadjacent development. Grants will help fund comprehensive or site-specific planning efforts. Special consideration will be for projects that support the Administration's <u>Housing Supply</u> <u>Action Plan</u> that promotes housing affordability. Deadline: July 22, 2024. See <u>FTA TOD NOFO</u>

SMART Grant

USDOT announced the availability of \$50 million in grant funding for demonstration projects focused on advancing smart community technologies and systems to improve transportation efficiency and safety. Deadline is July 12, 2024. See <u>SMART NOFO</u>

BELLEVUE FEDERAL ACTIVITIES

2024-2025 Federal Agenda

Bellevue has approved a new federal agenda for 2024-2025. The federal agenda reflects Bellevue's updated vision and priorities. It prioritizes transportation and mobility, essential and sustainable infrastructure and housing and safety net program. The agenda also includes several other areas of federal interest that align with the City's strategic target areas.

June Federal Affairs Trip

Bellevue's Mayor, Deputy Mayor, Deputy City Manager and outside federal consultants W2A, will visit Bellevue's federal delegation in Washington, DC, in June. In addition to meeting with Senator Cantwell, the office of Senator Murray and Reps. DelBene and Smith, they will also meet with representatives of the National League of Cities (NLC). The trip will be an opportunity to advocate for Bellevue's federal funding proposals (FY 25 earmarks and grant applications), including support for King County's RAISE grant application for Eastrail and funding for regional wastewater infrastructure. City representatives will also provide an update on developments in Bellevue, the city's updated strategic target areas and council policy priorities and discuss Bellevue's other federal priorities.