

CITY COUNCIL STUDY SESSION

Federal Legislative Update

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*City Manager's Office***DIRECTION NEEDED FROM COUNCIL****INFORMATION
ONLY**

No formal action is required; this is an informational briefing. Congress, the Administration, and Federal agencies each year approve actions that impact the City in a broad range of areas. Staff may recommend, and/or Council may wish to direct, communication to the City's congressional delegation on a range of issues throughout the year.

RECOMMENDATION

NA

BACKGROUND & ANALYSIS

Congress returned to Washington, DC, at the beginning of January for the second half of the 117th Congress. The following report includes federal legislative highlights from 2021, updates on the federal infrastructure package, and major issues Congress will focus on in the coming months.

2021 HIGHLIGHTS

2021 was a busy legislative year for Congress. President Biden and Congress successfully negotiated deals to advance major spending bills to respond to the ongoing COVID-19 pandemic, invest in infrastructure and address the national debt.

The American Rescue Plan Act ([Public Law 117-2](#)), a \$1.9 trillion COVID-19 response and stimulus package, was enacted on March 11. Included in this package was \$195 billion for state governments and \$130 billion for local governments. The U.S. Treasury Department [recently released final guidance](#) on the use and flexibility of State and Local Recovery funds.

The Infrastructure Investment and Jobs Act ([Public Law 117-58](#)) was enacted November 15 and is now recognized as the Bipartisan Infrastructure Law (BIL). BIL reauthorized federal surface transportation programs for five years and authorized funding for energy, water, and broadband programs. While most funding in the package goes to states in the form of block grants or formula funding, several programs expanded eligibility and access to local governments, such as:

- \$1 billion Safe Streets for All program
- \$4 billion National Culvert program
- \$250 million Drinking water system infrastructure resiliency and sustainability grants.
- \$125 million Clean water infrastructure resiliency and sustainability grants

An update on the Administration's roll-out of these programs is included below.

Lawmakers raised the debt limit twice, the most recent at \$2.5 trillion, helping to ensure that another increase may not be necessary until after the midterm elections. [Public Law 117-50](#) and [Public Law 117-73](#) passed with mostly Democratic votes, though in both cases Republicans agreed to procedures to allow the vote to move forward.

Congressionally Directed Spending (earmarks) returned. After almost a decade, Congress reinstated consideration of congressionally-designated funding in spending bills. The infrastructure bill passed by the House included earmarked funding for Bellevue's Transit Center and other projects. Ultimately, that bill did not advance in the Senate.

The proposed fiscal year (FY) 2022 appropriations bills in both the House and Senate also include member earmarks. The Senate Commerce Justice Science Appropriations proposal includes Senator Maria Cantwell's earmark request for the City of Bellevue for \$915,000 for the Community Crisis Assistance Team (CCAT). The FY 2022 funding bills are pending while Congress continues to negotiate a path forward to move the bills. Federal government operations are currently funded under a Continuing Resolution (CR), which extends FY 2021 funding levels through February 18.

BIL IMPLEMENTATION UPDATES

As soon as the BIL was enacted, the White House and federal agencies ramped up implementation of the bill's provisions in an effort to stimulate the economy and address transportation supply chain issues and maintenance backlogs. Key highlights of federal implementation of BIL thus far include:

- The White House selected former New Orleans Mayor Mitch Landrieu to coordinate the rollout of BIL programs and funding.
- The White House and Mitch Landrieu sent a [letter](#) to the nation's governors requesting that they also appoint infrastructure implementation coordinators to smooth the rollout of federal funding states will receive from the infrastructure package.

Transportation

- The Federal Highway Administration (FHWA) [announced](#) the release of \$52.5 billion in Federal Highway Apportionment for FY 2022 to the states, the largest apportionment amount in decades.
- U.S. Department of Transportation (USDOT) and the FHWA [announced](#) the first funding tranche of the Bridge Replacement Formula Program to states, \$27 billion, and program guidance.
- The White House announced an [Electric Vehicle \(EV\) Charging Action Plan](#) and the formation of the Joint Office of Energy & Transportation that will focus on build-out of a national network of EV chargers.
- USDOT [announced](#) the distribution of \$260 million for highway safety programs to the states.

- FHWA released a [request for comment](#) on BIL implementation. FHWA oversees many key federal transportation programs, including safety programs (Safe Streets for All), state apportionment funding, PROTECT grants, Bridge Investment Programs (formula and grants), National Electric Vehicle Formula Program, Local and Regional Project Assistance Grants (formerly TIGER/BUILD), etc.

Water Infrastructure

- Environmental Protection Agency (EPA) Administrator Michael Regan sent a [letter](#) to governors outlining the key priorities for water investments, including targeting resources to disadvantaged communities, making rapid progress on lead-free water for all and tackling dangerous chemicals.
- EPA announced \$7.4 billion in funding allocations for FY 22 for the State Revolving Fund program. See: [EPA's Water Resources Programs & Allocations](#).
- The White House announced a [Lead Pipe and Paint Action Plan](#) to replace the nation's lead pipes in the next decade and expand access to clean drinking water.

Broadband

- National Telecommunications and Information Administration (NTIA) released a [request for comment](#) on the design and implementation of the Broadband Equity, Access and Deployment Program, the Middle-Mile Broadband Infrastructure Program, and the Digital Equity Planning Grant Program. These programs together will provide \$25 billion in broadband funding.

2022 LEGISLATIVE PREVIEW

Three main legislative items will dominate Congress in the coming weeks and months: 1) voting rights legislation/Senate filibuster; 2) FY 2022 federal funding; and 3) President Biden's social infrastructure package, Build Back Better. Discussions are also occurring around the potential for another COVID-related stimulus package, although this package is likely to be limited to support for certain industries, such as restaurants.

Election Reform Legislation

A top political priority of the White House and congressional Democrats is passage of election reform or "voting rights" legislation. Last year, the House passed three bills related to elections reform - For the People Act" (H.R. 1), "John R. Lewis Voting Rights Advancement Act" (H.R. 4) and the "Protecting Our Democracy Act" (H.R. 5314). The House bills passed mostly along party lines.

In the Senate, the Democrats' bills to amend election rules have met with united objection from Senate Republicans. Senate Majority Leader Chuck Schumer (D, NY) brought elections reform legislation to the Senate floor twice in 2021 and both times a solid Republican wall shut down consideration. As of January 15, the Senate Democrats plan to bring up an election reform package again in late January. The two Senate bills that will be packaged together are:

The Freedom to Vote Act (S. 2747), which among other things would establish online and automatic voting registration, restore felons' voting rights after they complete their sentences,

prohibit partisan gerrymandering of congressional districts, authorize grants to states to secure election systems, expand requirements for independent groups to disclose their donors and political expenditures, etc.

John R. Lewis Voting Rights Advancement Act (S. 4), would require federal approval before changes to voting practices could be implemented in states and localities with a recent history of voter discrimination and make it easier to challenge alleged discriminatory voting practices in court, effectively overriding the July 1 Supreme Court decision in *Brnovich v. Democratic National Committee*.

Similar to Senate Majority Leader Schumer's tactics around the debt limit last year, consideration of elections reform legislation in the Senate has been a platform for Democrats to test the will of Senators to reform the Senate filibuster rules, which requires 60 votes to end debate to move most legislation. The odds of changing the Senate filibuster rules evaporated in mid-January when Senators Kyrsten Sinema (D, AZ) and Joe Manchin (D, WV) reaffirmed they will not support weakening of the filibuster rules.

FY 2022 Spending Bills

Another carry-over legislative priority is the FY 2022 federal spending bills. Federal government operations are funded under a CR that keep the government open until February 18, buying Congress time to forge a deal on federal funding for FY 2022. Thus far, the House has passed nine of the 12 spending bills and the Senate has advanced three bills. A bipartisan and bi-cameral agreement that will advance all the bills and keep the government operating, however, has not been reached.

Negotiations restarted in January between appropriations leaders in the House and Senate but nothing definitive has been resolved as of January 15. In December two major issues were at stake: the split between defense versus discretionary funding and policy riders. By the end of December, the debate over the funding split was partially resolved by an agreement that was reached in moving the National Defense Reauthorization Act. Democrats and Republicans, however, disagree on total spending amounts for each of the 12 appropriations bills and they have made no progress on the issue of policy riders. Republicans are objecting to policy riders Democrats have included in the bills or excluded, such as the Hyde Amendment which has been around since 1977 and prohibits the use of federal funds for abortions except when the life of the mother is at stake or in cases of rape and incest, etc.

As of January 15, the most likely scenarios include:

- Congress reaches a deal and moves all 12 bills as an omnibus package;
- Congress breaks up the 12 bills into smaller packages (mini-buses) and moves them forward;
- Congress passes another short-term CR and keeps negotiating; or,
- No deal on FY 2022 is possible and Congress moves a year-long CR, keeping funding and programs at FY 2021 levels.

While Congress continues to wrestle with FY 2022 funding bills, the Administration will be looking ahead to FY 2023. It has been reported that the President's FY 2023 budget proposal will likely to be delayed until March.

Social Spending the Tax Package, Build Back Better

The second leg of President Biden's domestic agenda has been a social spending and tax package. The President's Build Back Better social spending proposal moved through several iterations and tactical maneuvers in 2021, including an effort by the House Progressive Caucus which held up the infrastructure package for weeks in the hope of forcing a deal within its own caucus to move Build Back Better.

With no Republican support for the package, Democrats set up Build Back Better to move as a budget reconciliation matter to get around the Senate filibuster rules. The challenge has been to hold the Democrat's razor-thin majority united in support of the package, especially in the Senate where the chamber is split 50-50.

As of January 15, Senate Democrats still do not have a deal with Democrat Senator Joe Manchin (D, WV) or an alternative path that would enable them to move Build Back Better forward. Democratic leaders have said very little since the beginning of year and negotiations seemed to have completely stalled. But, with just a few months before the primaries begin in earnest, some Democrats are calling for negotiations to resume. It has been reported that some members are even ready to stop working on a comprehensive bill and focus on smaller, more popular provisions. Democratic leaders have not made any comments on the matter as of January 15 but Senate Majority Leader Schumer did pledge to bring up the bill in early 2022. What form and how he might do that is uncertain. As of now, the entire package is in flux. Below is a summary provided by *Bloomberg Government* of the prospects for some the key provisions under consideration.

Best Chance	Medium Chance	Small Chance
<ul style="list-style-type: none">• Universal preschool• Expanded Affordable Care Act premium tax• Medicare drug pricing negotiations• Clean energy tax incentives• Corporate minimum tax• International tax changes• Stock buyback tax• Net investment income tax• IRS enforcement funding	<ul style="list-style-type: none">• Expanded child tax credit• Expanded Earned Income Tax Credit• Millionaires' surtax• State and Local Tax deductions changes• Funding for housing• Home health expansion• Electric vehicle tax credit	<ul style="list-style-type: none">• Paid leave• Medicaid expansion• Medicare hearing coverage• Child tax credit refundability• Methane fee• Immigration provisions• Vaping tax

OTHER

As of January 15, the following legislative items may see action in the coming weeks.

Trade and US Competition

United States Innovation and Competition Act (S. 1260). The Senate passed its bill in June, including \$52 billion in emergency funding for semiconductors.

The Ocean Shipping Reform Act of 2021 (HR 4996) would update federal maritime shipping law and the Federal Maritime Commission's authority for the first time in over two decades. The House passed the bill in December. Congress is likely to continue to push legislation to address crowded ports and the shortage of shipping containers for U.S. exports.

Additional COVID Stimulus Bills

Recently, Senator Ben Cardin (D, MD), head of the Small Business Committee, said he is working with Roger Wicker (R, MS) on bill that would provide additional support for restaurants and other service businesses hurt by the surge of infections caused by the omicron variant. Similar bills are likely to be developed in the coming months.

Violence Against Women Act programs reauthorization (HR 1620)

Senators from both parties are pushing for a deal on reauthorizing Violence Against Women Act programs. This would be the first major update since 2013. The House passed a bill in March 2021.

POLICY & FISCAL IMPACTS

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OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

N/A