

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 on April 25 after a two-week recess and is racing to advance as many priorities as possible in the run-up to the November elections. Top of the list will be completing unfinished work on COVID-19 response and relief supplemental bills and a manufacturing bill related to semiconductor development in the US. Work began on the fiscal year (FY) 2023 spending bills prior to the recess and that work will ramp up as we head into the summer. Finally, talk around a possible reconciliation package focused on climate change and social programs continues despite the defeat of President Joe Biden's Build Back Better proposal last year.

Overshadowing much of the work of Congress and the Administration is the ongoing war in Ukraine, immigration on the southern border, inflation and the deficit and, of course, the November elections.

Below is a summary of issues that may be of particular interest to Bellevue as of April 22.

INFRASTRUCTURE FUNDING UPDATE

Since enactment of the Bipartisan Infrastructure Law (BIL) and passage of the FY 2022 spending package, the Administration has been working quickly to send out infrastructure funding and establish new guidance and new programs.

Grants for Major Transportation Infrastructure Projects

The US Department of Transportation (USDOT) recently announced the availability of \$2.9 billion in grant funding for major infrastructure projects of regional or national significance. The notice of funding availability combines \$1 billion for the National Infrastructure Project Assistance (MEGA) program, \$1.55 billion for the Infrastructure for Rebuilding America (INFRA) program, and \$300 million for the Rural Surface Transportation Grant Program (RURAL). Grant applications are due May 23, 2022.

Federal Transit Administration (FTA) FY 2021 Grants for Buses and Bus Facilities

In March the FTA announced its FY 2021 Grants for Buses and Bus Facilities. The grants support modernizing, expanding and improving transit services. Below is a summary of all awards granted in Washington state.

- Sound Transit will receive \$12.9 million to purchase new, high-capacity transit buses and to construct a new transit center to support future Bus Rapid Transit (BRT) service along the I-405 corridor in south King County. This project will deliver new, expanded service and to help relieve congestion in a rapidly growing region.
- The Clark County Public Transportation Benefit Area (C-TRAN) will receive \$2.7 million to replace older buses with newer buses. The new vehicles will improve access and mobility for residents in the urban areas of Clark County in Southwest Washington.
- Kitsap Transit will receive \$10.4 million to buy battery electric buses to replace older diesel buses along with charging infrastructure. The project will improve air quality as well as the safety and reliability of transit service for residents throughout Kitsap County.

Climate and Social Justice

The Biden Administration continues its push to make climate change and social justice a priority throughout the federal government. In January the White House released a climate and social equity screening tool to help identify disadvantaged communities (see: [Climate and Economic Justice Screening Tool](#)). Funding in the BIL and other funding packages prioritize and/or created special set-asides for disadvantaged communities.

Recently the FTA released a [Green House Gas Emitter Tool](#) to demonstrate the carbon impact of certain transportation alternatives and decisions.

Buy America Requirements for Federal Infrastructure Funds

On April 18, the White House released an [Executive Order](#) providing guidance on the Build America, Buy America requirements codified in the BIL. All federal funding and financial assistance for infrastructure projects are required to comply with Buy America, Build America requirements unless a waiver is granted.

State Formula Carbon Reduction Program

BIL provides \$6.4 billion for the creation of a new formula program to help states reduce transportation-related carbon emissions. The [Carbon Reduction Program](#) kicked off on April 21 with Washington state slated to receive \$24 million for the period and estimated to receive a total of \$110 million over five years. Funds will be used by the states to create carbon reduction strategies and are allowable for a broad range of projects, including bicycle-pedestrian projects, trails, e-bike projects, and congestion relief, as long as the projects can demonstrate they help to reduce transportation carbon emissions.

Forest and Wildfire Prevention

On April 22 the President issued an Executive Order aimed at protecting old growth forests. The Executive Order directs federal agencies to inventory old growth forests on federal lands and determine how best to safeguard them. The work will likely shape how the Administration will invest \$8 billion provided in BIL for forest and land management and \$5.7 billion appropriated for FY 2022 for wildfire management and related risk mitigation.

BIL also provided the US Department of Agriculture (USDA) and the Department of Interior \$5 billion for hazardous fuels reduction and other mitigation programs, such as \$1 billion for the Community Wildfire Defense Grant program and \$600 million for firefighter pay. Last month, [USDA announced](#) \$131 million wildfire risk reduction treatments in high-risk landscapes in Washington, Oregon, California, Idaho, Montana, Colorado, New Mexico, and Arizona.

Upcoming Infrastructure Grant Updates

USDOT recently provided guidelines as to when new grant opportunities funded in BIL may become available. These include:

- [Safe Streets for All Grant Program](#) – \$5 billion over five years will be available for local initiatives to prevent transportation-related deaths and serious injury. Grants will be available for planning and the development of comprehensive safety action plans as well as infrastructure implementation. The grant notice is expected in May.
- Bridge Investment Program – In addition to creating a \$40 billion state formula program dedicated to bridges, BIL also provides \$12.5 billion over five years for local bridge initiatives. Eligible projects will improve bridge and culvert condition, safety, efficiency, and reliability of bridges on the National Bridge Inventory. The grant notice is expected in May.
- National Culvert Removal, Replacement and Restoration Grants – \$1 billion total over five years was made available in BIL for an annual competitive grant program for projects to replace, remove, and repair culverts or weirs to meaningfully improve or restore fish passage for some types of fish. The grant notice is expected this summer.

BUDGET AND APPROPRIATIONS

COVID-19 Relief Supplemental Funding Package

Prior to the Easter recess, Senators reached a bipartisan agreement on a \$10 billion COVID-19 response supplemental funding package. Unfortunately, a vote on the package was held up over demands by Republican Senators to block President Biden's decision to end Title 42, the pandemic immigration policy that allows officials to quickly expel immigrants and asylum seekers at the border. Some Democrats have also threatened to vote against the bill unless global COVID-19 funds are included. The President's original proposal cost \$22.5 billion and included investments in global COVID-19 vaccines. The \$10 billion agreement currently under consideration includes:

- \$5 billion to buy COVID-19 therapeutics and antivirals

- \$4.75 billion that could be used for a wider range of purchases, such as COVID-19 tests and vaccines; and
- \$750 million for research projects for future COVID-19 vaccines and therapeutics.

It would also enact Senate Bill 3011, which would give state, local, and tribal governments more flexibility to spend federal pandemic relief funds, including on infrastructure and community development projects. The measure would be funded by permanently rescinding unobligated balances from previous COVID-19 relief laws.

Restaurant and Small Business Aid

Another proposal to extend federal COVID-19 relief programs is House Resolution 3807, a bill that would provide supplemental funds to extend COVID-19 related assistance to restaurants and small businesses. The measure would make \$42 billion available to replenish the Restaurant Revitalization Fund and \$13 billion to establish a new program for small businesses that lost revenue during the pandemic. This new program would be partially funded by transferring unused funds from the Small Business Administration's other pandemic relief programs.

FY 2023 Appropriations

The congressional appropriations process kicked off immediately after the release of the President's budget proposal in March. Like last year, Congress is allowing for the consideration of congressionally directed spending/community project funding (i.e., earmarks) for FY 2023 appropriations bills. Bellevue submitted 10 congressionally directed spending requests to our congressional delegation for their consideration. These include:

Project	Amount Requested
Bellevue Police Department Camera Program <i>Funds will help Bellevue Police establish a camera program by covering the initial system and infrastructure costs of 200 body-worn cameras.</i>	\$883,486
Cougar Mountain Pump Station <i>The project will improve resiliency of critical water infrastructure by bringing it to current seismic standards to ensure drinking water access for 6,200 customers in south Bellevue and parts of Issaquah and during emergencies such as fire response.</i>	\$2 million
156 th Avenue SE Safety Improvements <i>Funds will reconstruct two high-collision intersections to improve safety, transit reliability and access to area schools.</i>	\$1 million
Bridle Trails Neighborhood Park <i>Funds will construct a new park in the Bridle Trails neighborhood to address the need for park services in this community and protected habitat, helping to achieve the City's environmental and climate change goals.</i>	\$2 million

Eastside Workforce Development Initiative <i>Funds requested would allow the City of Bellevue to expand its workforce navigator program to the greater East King County area.</i>	\$650,000
Northwest Bellevue Walkways and Safety Improvements <i>Funds will construct an off-street path and sidewalks to improve traffic safety and visibility of people walking in the neighborhood and children walking to local schools.</i>	\$1.2 million
Valley Creek/NE 21 st Street Flood Control <i>Funds will make improvements to mitigate recurrent flooding in an area that supports about 30 businesses, restore habitat and improve infrastructure resiliency.</i>	\$1 million
BelRed Affordable Housing Transit-Oriented Development at 130 th Station <i>Funding will help to make 150-200 housing units in the BelRed neighborhood affordable to people making between 30-60 percent of the area median income.</i>	\$1 million
Lake Washington Line Management Plan Assessment <i>Funds will support an analysis to identify, prioritize and develop cost estimates to repair and replace the 14-mile Lake Washington Line Sewer system.</i>	\$1 million
Eastside Affordable Housing Energy and Resiliency Retrofits <i>Funds requested will help Bellevue and its partner Eastside cities to expand a pilot program to serve a greater number of low-and-moderate income households and reduce their energy cost burden.</i>	\$1.12 million

The congressional appropriations process culminates around September 30, the official end of the fiscal year. However, in the past several years this process stretched well into December and for the FY 2022 bills, the process ended in March of 2022. With the mid-term elections compressing the congressional calendar this year, Congress will likely need more time to finish up the spending bills and the process will go into December.

OTHER

Build Back Better

Discussions have continued, albeit in a lackluster way thus far, in Congress and with the Administration to try to salvage some elements of the climate change and social spending package. This time around, however, talks are further complicated by inflation and deficit concerns. As a result, President Biden raised his rhetoric around the need to limit deficit spending in recent weeks, a sign that he is trying to appease Senator Joe Manchin (D, WV) and that a deal is important to Democrats as they head into the mid-term elections. The window of time to forge a deal is closing and with rising inflation, Senator Manchin has only become more entrenched in his opposition to “unchecked” expansions of federal spending.

Discussions to revive elements of Build Back Better are likely to ramp up as the November mid-terms approach, especially if Democrats feel a growing need to appeal to their base. It is unclear whether Democrats from all wings of the party feel enough pressure to find the right mix of proposals to unite their caucus to thread this needle.

Chip and China Competition Bill

A global shortage of semiconductors has caused major production delays and disruptions for sectors like autos and consumer electronics. Congress responded with legislation to bolster the domestic semiconductor industry and US competitiveness with China. The bill includes \$52 billion in grants and incentives to bolster chip manufacturing and provisions to jump-start innovation and bring key industries back to the US amid a global supply chain crunch.

Different versions of the bill passed the House and Senate earlier this year and negotiators were hashing out the different versions of the measure prior to the recess. The package faces challenges with opposition coming from conservatives and progressives alike. Conservatives have objected to government investment in the semiconductor industry and progressives have decried the bill as “corporate welfare.” The President supports the bill and has called on Congress to pass it as soon as possible.

BELLEVUE FEDERAL RELATIONS ACTIVITIES

Bellevue was busy with federal relations activities on several fronts in April, including:

- Continuing to monitor federal grant opportunities.
- Passage by Council of a federal legislative agenda.
- Development of a federal affairs outreach strategy.
- Preparation and submission to our congressional delegation (Senators Murray and Cantwell, and Representative Adam Smith) of the City’s 10 FY 2023 congressionally directed funding requests and gathering community support for these requests.
- Participation by Mayor Lynne Robinson at an event with Senator Patty Murray to highlight the work of LifeWire in Bellevue.
- The Mayor of Bellevue was invited to an event with President Biden during his trip to Seattle.

POLICY & FISCAL IMPACTS

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.

OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

N/A