

DATE: March 27, 2023

TO: Mayor Robinson and City Councilmembers

FROM: Genesee Adkins, Chief of External Affairs, 452-7849

Nina Collier, Jeff Bjornstad, Tony Williams – W2A (federal affairs consultants)

SUBJECT: Federal Legislative Update

The March 2023 federal affairs update includes a summary of recent Executive branch actions, including the release of the President's fiscal year 2024 budget proposal, an Executive Order to expand gun background checks, and recent agency grant announcements.

Congress gears up for a busy and contentious spring and summer with budget, the federal debt limit and the annual appropriations process at the top of the agenda. House Republican are also moving forward on priority policies. The first big House Republican package to emerge is an energy and energy permitting bill, the Lower Energy Cost Act. This updated also summarizes Bellevue's federal affairs activities and efforts.

Executive Action Expanding Gun Background Checks

President Biden issued an Executive Order on March 14 to increase background checks on gun sales. The order instructs the Attorney General to clarify the statutory definition of who is "engaged in the business" of selling firearms, which can require sellers to have federal licenses and run background checks. For more details see: Executive Action on Reducing Gun Violence

This action builds upon gun control legislation passed last year, the <u>Bipartisan Safer</u> <u>Communities Act</u>, which enhanced gun background checks, broaden the scope of existing restrictions, and establish new criminal offenses. The White House has sited this bill as providing the Administration the authority needed to expand background check rules. The Bipartisan Safer Communities Act also authorized additional funding and programs for intervention, behavior and mental health, and school safety.

Grant Funding

Recent grant funding announcements include the following:

<u>Charging and Fueling Infrastructure (CFI) Discretionary Grant</u> - \$700 million from FY 2022 and FY 2023 is available for competitive grants for EV charging stations. The funding was announced on March 14 and applications are due by May 30. Notice: <u>NOFO Charging and Fueling Infrastructure</u>

This CFI money will be split evenly between two grant programs.

- The Community Program will fund EV chargers, as well as hydrogen, propane and
 natural-gas fueling infrastructure, along public roads and in other publicly accessible
 locations such as parking lots for public buildings, parks and schools. Priority will be
 given to projects serving rural areas and low- and moderate-income neighborhoods, as
 well as communities with little private parking and many multi-unit dwellings.
- The Corridor Program will fund chargers and other fueling stations along highways.
 USDOT has set a goal of allocating at least 40% of all funds for disadvantaged communities.

Transportation Secretary Buttigieg emphasized the agency will be taking an "equity-first approach, prioritizing "underserved and disadvantaged" areas in the roll out of EV stations across the country. "Equity is going to be a huge part of this," Buttigieg said. "So many of the people who could theoretically gain the most from the gas and diesel savings of having an electric car are those who will be most impacted by the sticker price and by the lack of charging infrastructure."

Climate Pollution Reduction Grants were established in the Inflation Reduction Act (IRA) and will award funds to state and local governments to develop and implement climate action plans to reduce greenhouse gas emissions. The first round of this new grant opportunity was announced on March 1 by EPA. Awards will go out in two phases: first will be \$250 million in planning grants, which will be distributed via formula, and then \$4.6 billion in implementation grants will be distributed competitively. Jurisdictions located within one of the 67 most populous metropolitan statistical areas (MSAs) in the country are eligible to receive a \$1 million planning grant, if they apply alongside the other local governments and public entities within their MSA. To receive their allocation, local governments and their fellow applicants must submit their notice of intent to participate (NOIP) in the CPRG Program by April 28.

<u>Environmental Justice Grants</u> are another new EPA grant program created under the IRA. The program will award funds to nonprofit organizations to design and execute their own environmental justice grant programs. For details: <u>Environmental Justice Thriving Communities</u> Grantmaking Program (EJ TCGM).

<u>Local Match Waiver for Complete Streets</u> The FTA on March 13 issued guidance in the form of a <u>Dear Colleague Letter</u> informing states and metropolitan planning organizations that FTA has approved a waiver of the non-federal match for the Metropolitan Planning Program and the State Planning and Research Program for Complete Streets planning activities.

Congressional Action

Energy Permitting Legislation (HR 1)

The first major legislative package that will emerge from a new Republican-controlled House is an energy package. The "Lower Energy Costs Act" (HR 1) combines several bills advanced by

the Energy and Commerce, Natural Resources and Transportation and Infrastructure committees over the past few weeks that focus largely on long-held Republican priorities.

The key objective of the package is to streamline environmental reviews for energy infrastructure — be it pipelines or wind turbines — under the National Environmental Policy Act. Both Republicans and Democrats, especially Senator Joe Manchin (D, WV), have expressed interest in finding common ground on streamlining the permitting process. Democrats being especially interested in speeding up deployment of wind, solar and power line projects to help curb climate change.

Despite bipartisan support for the permitting reform provisions that are central to the bill, Democrats are opposing the bill. In particular, Democrats oppose provisions in the bill that would rollback components of the Inflation Reduction Act. Senate Majority Leader Chuck Schumer (D, NY) has declared the bill "dead on arrival" in his chamber. Nonetheless, the House Republican Leadership expects to move the bill out of the House in the coming weeks. The package is set to reach the House Rules Committee the week of March 27 before making it to the floor. Leaders are hoping for passage before the end of the month under a limited amendment process.

COVID-19 Origins Act (S. 619)

The House and Senate have passed legislation that would require the Administration to declassify information on potential links between China's Wuhan Institute of Virology and the origin of Covid-19. The Senate passed the measure by Unanimous Consent on March 1, and it recently passed the House with a vote of 419-0. The bill is currently awaiting the President's signature.

Crime and Justice -- DC Criminal Code

In a clear signal that crime and justice remain hot political issues, Congress approved recently a resolution (HJ Res. 26) to overturn a District of Columbia law that would overhaul the city's criminal code. The DC legislation called the "Revised Criminal Code Act," was enacted by the DC Council after overriding the mayor's veto by a vote of 12-1 in January. It was slated to go into effect in October 2025. The DC law changed how some criminal offenses are defined and what penalties are imposed for different types of crime. It also eliminated mandatory minimum sentences, except for first degree murder. Some of the most controversial parts of the law include provisions that opponents say reduce penalties for violent crimes, including penalties for car jackings.

The measure to overturn the DC law passed the House with 31 Democrats supporting it, including Congresswoman Angie Craig (D, MN) who had been attacked in the elevator of her DC apartment. The Senate passed the measure by a vote of 81-14. President Biden originally opposed the resolution but said in early March that he would sign it. It is currently awaiting his signature.

Debt Limit Negotiations Further Complicated by Banking Failures

Last month, the CBO estimated the current debt limit will be reached sometime between July through September. Recent banking challenges led by the collapse of Silicon Valley Bank, however, may pushing up the deadline date. The government's swift action to pump \$40 billion to shore up the failing banks have analysts predicting that the move will, "significantly increase" the risk that debt limit will be reached sooner rather than later (in June instead of July-September). If tax receipts are slower than anticipated, the date could approach even faster.

Despite the renewed urgency around the debt limit deadline, Congress has made little progress is reaching a deal to increase the nation's debt limit. Over the last couple weeks, both sides have doubled down on their positions - Democrats insisting the debt limit needs to be raised immediately without any strings attached and Republicans pushing harder for federal spending controls.

President's FY 2024 Budget Proposal

President Biden released the Administration's fiscal year 2024 budget proposal on March 7, officially kicking off the federal budget process. The President's budget is a largely symbolic and political platform for showcasing the Administration's priorities. It serves as the opening salvo in budget negotiations with Congress, which controls the federal purse strings.

With a closely divided Senate and Republicans in control of the House, it's no surprise that President Biden's progressive budget proposal was declared, "dead on arrival" in the House. Republicans are expected to counter with their own set of budget priorities, which is expected to prioritize deficit reduction.

The following is a summary of President Biden's FY 2024 Budget Proposal. The section featuring agency highlights focuses on some of Bellevue's federal priorities.

Budget Proposal Summary

President Biden's \$6.9 trillion budget proposal seeks to increase domestic discretionary spending by 6.5% to \$809.1 billion and defense discretionary spending by 3.3% to \$886.6 billion. As highlighted by the chart below, the Administration is, once again, proposing discretionary funding increases for almost all federal agencies.

Biden Seeks Funding Boost for Most Departments

Proposed fiscal 2024 funding for major departments and agencies

\$30.1B 12.3B	+3.8B	+14.3%
12.3B		14.070
	+1.2B	+10.7
842.0B	+26.0B	+3.2
90,0B	+10.8B	+13.6
52.0B	+4.2B	+8.7
145.3B	+14.9B	+11.4
60.4B	-600.0M	-1.0
73.3B	+1.1B	+1.6
18.8B	+1.6B	+9.3
39.7B	+2.2B	+5.9
15.1B	+1.5B	+10.9
70.5B	+7.1B	+11.2
27.8B	-800.0M	-2.9
16.3B	+2.1B	+15.0
137.9B	+3.0B	+2.2
7.4B	-1.2B	-14.4
12.1B	+1.9B	+19.2
27.2B	+1.8B	+7.1
11.3B	+1.8B	+18.6
10.5B	+900.0M	+9.7
	90.0B 52.0B 145.3B 60.4B 73.3B 18.8B 39.7B 15.1B 70.5B 27.8B 16.3B 137.9B 7.4B 12.1B	90.0B +10.8B 52.0B +4.2B 145.3B +14.9B 60.4B -600.0M 73.3B +1.1B 18.8B +1.6B 39.7B +2.2B 15.1B +1.5B 70.5B +7.1B 27.8B -800.0M 16.3B +2.1B 137.9B +3.0B 7.4B -1.2B 12.1B +1.9B 27.2B +1.8B 11.3B +1.8B 10.5B +900.0M

Source: White House Office of Management and Budget

Bloomberg Government

Tax Proposals

Several new tax proposals are included in the President's budget in an effort to raise revenue and trim the deficit. Other tax credit proposals aim to advance the Administration's priorities. These include:

Tax/Revenue Increase Proposals

- New 25% minimum tax on billionaires;
- Increase top marginal income tax rate to 39.6%, from 37%, for individuals earning more than \$400,000, or more than \$450,000 for joint filers;
- Raise Medicare tax for high-income households to 5%, from 3.8% and change how the tax applies to certain passthrough income;
- Double the capital-gains rate for those making at least \$1 million;
- Tax carried interest as ordinary income;
- New undertaxed profits rule;
- Increasing the corporate tax rate from 21% to 28%;

- Increase excise tax on repurchase of corporate stock buybacks; and
- Eliminating various fossil fuel tax incentives; and impose digital asset mining energy excise tax.

Tax Credit Proposals

- Restoration of the full Child Tax Credit
- Establish a national, comprehensive paid family and medical leave program administered by SSA.
- Provide paid Sick Leave for all workers employers will be required to provide seven job-protected paid sick days each year to all workers.

Agency Highlights

Department of Agriculture - Nutrition Programs

- SNAP: \$122.1 billion. This is a decrease from the last two fiscal years due to estimated reduction of 1.3 million participants. The proposal seeks to strengthen SNAP enrollment capabilities and opposes eligibility time limits.
- WIC: \$6.3 billion, an increase of \$300 million.

Commerce – \$12.3 billion, increase of 10.7%

Department priorities include broadband deployment to underserved areas, climate resilience programs funded under the BIL and IRA, and investments to revitalize the domestic semiconductor industry provided by the CHIPS Act of 2022.

Corps of Engineers (USACE) - \$7.4 billion for Civil Works Program

- Flood and storm damage reduction: \$2.033 billion.
- Aquatic ecosystem restoration: \$653 million.

Department of Education - \$90B, increase of 13.6%

- Expand free community college through a new federal-state partnership.
- Pell Grants increase the discretionary maximum by \$500.

Environmental Protection Agency - \$12.1billion, increase of 19.2%

- Greenhouse gas emissions reduction, climate resiliency: \$5 billion.
- Water infrastructure upgrades: \$4 billion, a \$1 billion increase.
- Environmental justice initiatives, including <u>Justice40</u>: \$1.8 billion.
- PFAS prevention, remediation, and research: \$170 million.
- Add more than 2,400 employees to increase staffing capacity

Federal Emergency Management Agency (FEMA) – \$5.3 billion; a decrease of 2.3%. The Homeland Security Act expanded FEMA's responsibilities to include acts of terrorism.

- Disaster Relief and Climate Change: \$20.1 billion, an increase of 1%. The request expands FEMA's work with state and local communities to prepare for the impacts of climate change.
- Climate resilience programs: \$4.0 billion; \$150 million increase. This includes \$123 million to support integrated investments into Zero-Emission Vehicles and charging infrastructure.
- Flood Hazard Mapping and Risk Analysis: additional \$37 million to further FEMA's inventory of maps showing future conditions. These funds may also be used to support the Federal Flood Risk Mitigation Standard and activities aimed at preparing for future flood conditions.
- National Flood Insurance Program (NFIP): \$4.5 billion is funded almost entirely through user fees/premiums.
 - FEMA plans to expand its flood insurance coverage products to address new climate risks, promote risk mitigation/avoidance, and remove barriers to FEMA programs.
 - New \$5.2 billion legislative proposal to establish an Affordability Program to educate households of the true cost associated with the risk of living in a floodplain.
 - New proposal to establish the Sound Financial Framework to provide a sustainable mechanism for financing the NFIP.

For additional details: Homeland Security FY 24 Budget in Brief

Health and Human Services - \$145.3 billion, increase of 11.5% *Increasing access to Crisis Response*:

Includes \$20 billion in mandatory funding, available over 5 years, across the Administration for Strategic Preparedness and Response (ASPR), Centers for Disease Control and Prevention (CDC), NIH, and the Food and Drug Administration (FDA)

- Mobile crisis response: \$100 million, increase of \$80 million.
- CDC core capabilities, such as data, workforce, laboratory capacity and infrastructure.
 \$10.5 billion.

Behavior Health

The proposal expands Medicare and Medicaid coverage to behavior health services. It also expands suicide prevention programs to all jurisdictions and school programs that are proven to be effective.

- Mental Health Parity and Addiction Equity Act parity requirements are expanded to Medicare, making mental health and substance use disorder benefits available under Medicare Advantage plans.
- Allows Medicare to identify and designate additional professionals who could enroll in Medicare and be paid for providing behavioral health services.
- Requires Medicare to cover three behavioral health visits without cost-sharing.

Substance Abuse & Mental Health: \$10.8 billion for the Substance Use and Mental Health Services Administration (SAMHSA), an increase of \$3.3 billion.

- SAMHSA's mental health activities: \$4.9 billion, an increase of \$2.2 billion, to fund suicide prevention, increase crisis response, and provide direct services to people experiencing homelessness. This includes \$1.7 million; a \$734 million increase, for Programs of Regional and National Significance for Mental Health.
- Programs of Regional and National Significance for Substance Abuse: \$246 million, an increase of \$9 million.
- Community Mental Health Block Grant: \$1.7 billion, an increase of \$645 million
- Substance Use Prevention, Treatment, and Recovery Services Block Grant: \$2.7 billion, an increase of \$700 million.
- State Opioid Response grant program: \$2 billion, an increase of \$425 million.

Workforce for Behavior Health & Healthcare

- Expands Medicare coverage of and payment for additional behavioral health professionals.
- Medicare coverage of evidence based digital applications and platforms that facilitate
 greater access to behavioral health services, especially for beneficiaries who live in rural
 or health professional shortage areas.
- Health Resources and Services Administration (HRSA): \$387 million for Behavioral
 Health Workforce Development Programs to train 18,000 behavioral health providers
- Minority Fellowship Programs: \$37 million to almost double the number of fellows.
- HRSA workforce programs:
 - \$2.7 billion, including \$947 million in mandatory resources, to expand workforce capacity across the country;
 - \$28 million for a new program to address growing concerns related to healthcare workforce shortages; and
 - \$25 million for a new program to support the adoption of workplace wellness in healthcare facilities including hospitals, rural health clinics, community health centers, and medical professional associations.
- CDC public health training and fellowship programs: \$106 million

Healthcare Coverage Access

- Proposal provides Medicaid-like coverage to low-income individuals living in states that have not expanded Medicaid under the Affordable Care Act, paired with financial incentives to ensure states maintain their existing expansions.
- No Surprises Act is extended to cover ground ambulances.
- Add Medicare coverage to services furnished by Community Health Workers.
- Title X Family Planning program, 79% increase for total of \$512 million.

- Extends the \$35 cap per monthly insulin product, already in place for Medicare beneficiaries under the Inflation Reduction Act, to consumers with group and individual market coverage.
- Builds on the Medicare Drug Price Negotiation Program by increasing the number of drugs subject to negotiation and making drugs eligible for negotiation sooner after launch.

Early Child Care and Education

- \$22.5 billion for existing early care and education programs, a \$2.1 billion boost.
- \$13.1 billion for Head Start, a \$1.1 billion increase.
- free, universal preschool for the nation's 4-year-olds.

Medicare solvency

The Administration proposes to extend Medicare solvency by at least 25 years via new tax revenue sources and drug reform savings. Beginning in 2024, the budget directs revenues from the net investment income tax and includes tax code reforms that make high-income earners "pay their fair share" (those making above \$400,000), into the Part A Trust Fund.

For additional details see: HHS FY 24 Budget Proposal Brief

Housing - \$7.3 billion, increase of 1.6%

- Homeless Assistance Grants: \$3.7 billion, an increase of \$116 million.
- Housing Choice Voucher: \$32.7 billion to expand assistance for 50,000 households, with funds from HCV reserves to support another 130,000 households.
- HOME Investment Partnerships Program: \$1.8 billion, an increase of \$300 million.
- \$9 billion to establish housing vouchers for 20,000 youth aging out of foster care.
- \$7.5 billion in mandatory funding to modernize public housing communities.
- Housing Opportunities for Persons with AIDS (HOPWA), \$505 million for serving a
 population with a disproportionately high rate of homelessness and providing a critical
 link to services.
- Community Development Block Grant (CDBG) program: \$3.4 billion \$85 million within this total is set aside for a competitive program to reward State, local, and regional jurisdictions that make progress in removing barriers to affordable housing development.

Interior - \$18.8 billion, increase of 9.3%

- \$5.7 billion for climate adaptation, mitigation, and resilience
- \$3.8 billion for the National Park Service, including \$32 million for equity initiative
- \$314 million to reduce catastrophic wildfire risks
- Boost federal firefighter pay to minimum of \$15 per hour
- Increase environmental permitting capacity to expedite delivery of infrastructure

Justice - \$39.7 B, increase of 6% Justice and law enforcement

- DOJ investments to support civil rights: \$1.5 billion. Funding will support police reform, provide for the prosecution of hate crimes, defend voting rights, etc.
- State and local grants: \$4.9 billion, a 17% increase.
 - o COPS Hiring Program: \$537 million, a \$213 million increase.
 - COPS Hiring Program Safer America Plan: \$2.2 billion for new initiative. The proposal combined with continued discretionary investments in COPS Hiring is intended to provide communities the resources needed to keep streets safe, including by helping them hire and train 100,000 additional police officers.
 - Justice Assistance Grants are reduced by \$228M
- State and Local Law Enforcement Assistance. \$2.4 billion, an increase of \$21.3 million.
- Violence Against Women Act Programs: \$1 billion
- Juvenile justice program, increase of \$360 million
- <u>Bipartisan Safer Communities Act</u>, \$71.1 million and 332 positions to implement the gun safety bill enacted in 2022.

Combating the Opioid Epidemic

Proposal seeks to invest over \$10.4 billion to address and drive down the incidence of drug overdose deaths, including boosting programs focused on protecting youth and identifying the next generation of psychoactive substances.

- Opioid-Affected Youth Initiative: Total \$16 million, increase of \$3.5 million.
- New Mentoring for Youth Affected by Substance Use program: \$18.0 million
- Tribal Youth Program: \$30 million, increase of \$13 million.
- New Novel Psychoactive Substances Discovery program: \$5 million
- The Comprehensive Addition and Recovery Act (CARA) program is reduced by \$34 million.

Cyber Security

- New Local Law Enforcement Grants for Enforcement of Cybercrimes to address online harassment, stalking, and abuse: \$10 million.
- New National Cybercrime Resource Center: \$4 million for a new national resource center for federal, state, and local government agencies, community-based organizations, etc. to provide technical assistance and training resources on cybercrimes against individuals.

For additional details: DOJ FY 24 Office of Justice Programs Budget Proposal

Labor - \$15.1 billion, increase of 10.9%

- Unemployment Insurance program: \$3.7 billion to modernize the program of tackle fraud.
- Worker protection agencies: \$2.3 billion, a \$430 million increase, to protect workers' wages, combat child labor, and improve workplace health and safety.
- Registered apprenticeship opportunities in clean energy, logistics: \$335 million.

 Seeks increased penalties at DOL, EEOC, and NLRB for employers that violate labor organizing, child labor, and equal opportunity rules

Transportation - \$27.8 billion, increase of 6.7% Federal Highway Administration - \$60.8 billion

- Safety a top priority for the agency is safety and implementation of the National Roadway Safety Strategy.
 - National Highway Traffic Safety Administration: \$1.3 billion, increase of \$116 million.
 - "Complete Streets is a key implementation strategy of the Safe System Approach. FHWA is supporting transportation agencies as they plan, implement, and evaluate equitable streets and networks that prioritize safety, comfort, and connectivity to destinations for all people who use the street network."
- Bridge Investment Program: \$650 million in addition to the \$1.8 billion in BIL advance appropriations for grants. Bridge Formula Program will have \$5.5 billion from BIL.
- Congestion Relief Program: \$50 million for projects in large, urbanized areas to advance innovative, integrated, and multimodal solutions to mitigate congestion in the most densely populated metropolitan areas.
- Charging and Fueling Infrastructure Competitive Grants Program: \$500 million to strategically deploy publicly accessible electric vehicle charging infrastructure and other alternative fueling infrastructure. Fifty percent of this funding prioritizes projects within rural areas, low- and moderate-income neighborhoods, and communities with a low ratio of private parking spaces.
- (PROTECT) Formula and Competitive Program: \$1.8 billion to make at-risk coastal transportation infrastructure more resilient to future weather events and other natural disasters.
- Active Transportation Infrastructure Investment Program: \$60 million, an increase of \$15 million. The program is aimed at building better walking and biking infrastructure.
- National Infrastructure Project Assistance program: \$1.2 billion for major projects.

Transit - \$17.0 billion, along with \$4.3 billion in advance appropriations provided by BIL, for total budgetary resources of \$21.3 billion.

- Funding flexibility is proposed to help address operating short-falls resulting from impacts from the pandemic. Proposal would allow the use of existing Section 5307 Urbanized Area Formula Program funds and flexed Federal-Aid Highway funds for operating expenses.
- Transit Formula Funds are proposed at \$14 billion, an increase of \$400 million. Transit Infrastructure Grants will be funded from \$2 billion set aside in the BIL.
- Capital Investment Grant Program: \$2.9 billion for transit includes recommended funding for several Puget Sound regional transit programs:
 - \$250.7 million for the Seattle-Lynnwood Link Light Rail Extension this project is one of the 18 large transit projects being prioritized by the Administration.

- King County's Rapid Ride Lines I, J, and K BRT;
- Sound Transit's West Seattle and Ballard Link extensions; and
- Seattle Center City Connector

Source and additional details see: <u>FY 24 Annual Report on Funding Recommendations Capital</u> Investment Grant

Aviation - \$16.5 billion

- FAA Grants-in-Aid for Airports is maintained at the FY 22 and 23 levels at \$3.35 billion.
- Proposes policy priorities for FAA reauthorization, including consumer protection in response to recent delays and other consumer complaints.
- Alternative Fuel and Low-Emission Aviation Technology Program: \$297 million is
 provided for competitive grants to carry out projects that produce, transport, blend, or
 store sustainable aviation fuel (SAF), or develop, demonstrate, or apply low-emission
 aviation technologies. This investment supports the SAF credits also provided through
 the IRA.

For additional details: USDOT FY 24 President's Budget Request Highlights

Congressional Appropriations Process & Congressional Earmarks

Now that the President's budget proposal has been released, the budget and appropriations process moves to Congress. Under normal order, a budget resolution will be reported by the Budget Committees in the House and Senate and approved in the spring to establish top-line spending numbers for the Appropriations Committee. Over the last couple years, a closely divided Congress failed to produce a budget resolution and topline numbers were, instead, negotiated by leadership under pressure to avoid a government shut-down.

The Appropriations Committees will work through the summer to try to produce and pass the 12 spending bills by the end of the fiscal year, September 30th. This will be a big focus of work in Congress over the next several months. Already Senators Murray and Collins (D, ME), the chair and ranking member of the Senate Appropriations Committee, have announced 32 hearings between March and early June to hear from federal agencies and stakeholders on budget priorities. June through September will be when the committees are expected to begin the work of drafting and consideration of the actual bill proposals. This process often gets delayed, however, if there is no agreement on top-line spending numbers.

Congressionally Directed Spending/Community Project Spending (a.k.a. earmark) funding is being considered in the appropriations process once again. For this year the House Appropriations Committee is limiting total spending on earmarks to 0.5% of total non-defense discretionary funding. The Senate has maintained the 1% limit that was in place for FY 22 and FY 23. The House will also not consider any earmark funding requests for the Labor, Health and Human Services accounts for FY 24. The Department of Energy also limited the types of

projects it would fund out of its budget accounts. Federal agencies and Congress also provided additional guidance and restrictions on project eligibility this year.

Bellevue's congressional delegation kicked off the earmark funding process in February with deadlines for all funding request submissions closing out by mid-March. Bellevue submitted four projects for the delegation's consideration (for details see below in the Bellevue Federal Affairs Activities section). Delegation offices are now reviewing and selecting which project requests will be submitted to the Appropriations Committee for further consideration. House members are limited to 15 total projects that they can advance to the committee.

The political dynamics in Congress and on the national stage with a major election year looming in the background will make every step of the budget and appropriations process especially contentious and challenging this year. It is fully expected that a Continuing Resolution (CR), if not several CRs, will be needed to extend current year funding and keep the government funded beyond the September 30th fiscal year deadline so that Congress (and the White House) can complete negotiations on FY 2024 funding.

Bellevue Federal Affairs Activities

The Bellevue team has been actively engaged in federal affairs on several fronts.

The City's policy and external affairs team has been working closely with city departments to develop and submit several projects for federal grant or congressional earmark funding. The City has put forward the following projects for funding consideration via the congressional earmark funding process.

City of Bellevue –FY 24 Federal Earmark Requests Summary				
Project	Description	Request	Letters of Support	
Electric Fire Engines & Charging Infrastructure Murray Cantwell Smith DelBene	This project will reduce emissions by purchasing two electric engines and installing charging infrastructure at Bellevue Fire Station 1 and Redmond Fire Station 12. It will move the cities of Bellevue and Redmond to cleaner heavy-duty fleet operations, which will reduce community air and noise pollution, demonstrate the effectiveness of this technology, and encourage broader adoption across the region in support of local, state, and federal emissions reduction goals. Both cities have state grants and local funding already committed—this earmark would close each city's outstanding funding gap to proceed.		 Washington Emergency Management Division 41st and 48th District WA state legislators Public Health of Seattle & King County Redmond Kiwanis 	



			•	Bellevue Chamber of Commerce Bellevue Downtown Association
Bellevue Police	The body-worn camera program will	\$1.095M	•	Bellevue Police
	significantly increase accountability and	φ1.093IVI	•	Foundation
Camera Program	transparency in interactions between officers			
Camera Program	and members of the Bellevue community. By		•	Bellevue Police
				Department
Murroy	acquiring the camera technology, the program			African
Murray Cantwell	will enhance the Police Department's patrol			American
DelBene	operations, incident investigation, incident			Council
Delberie	response, and crime prevention.		•	Bellevue
	The requested amount will be used to:			Chamber of
	The requested amount will be used to: - Equip all commissioned personnel with a			Commerce
	body-worn camera		•	Bellevue
	- Equip police facilities with the necessary			Downtown
	video equipment to record all custodial			Association
	interrogations			
	- Provide training to personnel in how to			
	record, use, document, store, redact, and			
	release videos collected			
	- Securely store & retain the videos for			
	<u> </u>			
	evidentiary, documentation purposes - Redact and release all video in a timely			
	manner when it is requested by the public.			
Factoido Not Zoro Low		\$1.5M		Hanalink
Income Housing	decarbonization and clean energy retrofits in	φ1.Sivi	•	Hopelink
Retrofits	approximately 40-50 low- and moderate-		•	King County
ixetionis	income housing units in the cities of Bellevue,			Housing
	Redmond, Kirkland, Issaguah, and Mercer			Authority
Murray	Island – building on the success of the Energy		•	Bellevue
Cantwell	Smart Eastside Program. This retrofit work is			Chamber of
Smith	seen by industry experts as the best near-term			Commerce
DelBene	decarbonization strategy to reduce greenhouse		•	Bellevue
Doibone	gas emissions and fill funding gaps in state &			Downtown
	federal incentive programs.			Association
Digital Equity for	This pilot project would launch Bellevue's	\$1.5M	•	5G Open
Affordable Housing	Digital Equity for Affordable Housing Initiative			Innovation Lab
	by providing free direct internet access to 600		•	Eastside
	subsidized affordable housing units. Access to			Housing
Murray				Roundtable

Cantwell	high-speed internet connectivity is an essential	•	Bellevue
Smith	part of bridging long-standing gaps in equity.		Chamber of
DelBene			Commerce
	The two pilot locations are:	•	Bellevue
	- Cascadian Apartments in Crossroads		Downtown
	- Eastgate campus: Men's shelter,		Association
	permanent and supportive housing, and		
	workforce housing apartments		
	-		

In addition to submitting earmark funding requests to the federal congressional delegation, the City has prepared and submitted three federal grant proposals – one to the US Department of Transportation and two proposals to the Environmental Protection Agency (EPA).

- Kelsey Creek culvert project planning and design \$1.506 million grant proposal to USDOT's National Culvert Removal, Replacement, and Restoration Grant Program.
 The project goal is to restore fish passage to mainstem spawning and rearing habitat in Kelsey Creek at the location that is the confluence of Kelsey Creek, Richards Creek, and Wilburton Creek.
- Multifamily and commercial recycling outreach and education -- \$493k grant proposal to EPA's Consumer Recycling Education and Outreach Grant Program. Funding would allow Bellevue to conduct door-to-door recycling and composting outreach to multi-family residents and commercial businesses to increase recycling and composting diversion and reduce contamination at properties with the lowest waste diversion rates and highest contamination rates in the city.
- Materials management infrastructure improvement for community participation \$657k grant proposal to EPA's Solid Waste Infrastructure for Recycling (SWIFR) Grant Program. Funds will be used to improve the City's materials management infrastructure by purchasing and distributing indoor recycling and composting containers to increase the ease and consistency of participation for residents and businesses in the City's recycling program.

Federal outreach activities this month include:

Preparation for the National League of Cities (NLC) annual Congressional City
Conference in Washington, DC. The City's external affairs team has been working
closely with Council Members Lee and Zahn to prepare them for NLC's Congressional
City Conference. Not only will Council Members Lee and Zahn represent Bellevue at the
conference, they will also have meetings on Capitol Hill with Bellevue's federal
delegation to talk specifically about the city's federal priorities, federal earmark funding
proposals, and federal grant submissions.

- Meeting with Rep. Suzan DelBene and Bellevue Police Chief Wendell Shirley. The
 meeting was an opportunity for the Congresswoman to meet Chief Shirley and learn
 about the city's law and justice priorities. Starting in 2023, Rep DelBene represents
 much of north Bellevue.
- Regular correspondence and conversations with our delegation regarding the City's federal earmark proposals. This outreach provided us valuable guidance around projects to prioritize and the technical eligibility requirements of available funding accounts.
- SS4A debrief with USDOT. The external affairs team and transportation team are
 preparing to have an official debrief with USDOT about the City's B-Safe grant proposal.
 We hope to learn if Bellevue's B-Safe proposal, or components of it, can be competitive
 for federal grant funding and the recommended best next steps to developing a federal
 partnership to advance Bellevue's safety and mobility goals.