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TO: Mayor Robinson and City Councilmembers

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SUBJECT: Federal Legislative Update

Federal Legislative Summary

Congress returned from a two-week spring recess to face a packed legislative agenda running up to the July 4th recess. Between now and July, one or both chambers will be in session each week working through a litany of issues and critical deadlines. At the top of the list is the national debt. Deadlines are also looming for reauthorization of the Federal Aviation Administration and the farm bill. Other legislative issues that may come up this spring and summer include proposals around immigration, energy, technology and taxes. Additionally, the Appropriations Committees will be working through spending proposals and the Senate will push forward as many nominations as possible.

At the other end of Pennsylvania Avenue, the Administration will be focused on heralding new grant funding and opportunities and agency leaders will continue to respond to intense oversight by Congress over federal funding and management of COVID funding and programs created under the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA).

A summary of federal issues of most relevance to Bellevue follows.

Budget and Appropriations

Debt Limit

The \$31.4 trillion ceiling on US borrowing authority has been reached and the Treasury Department's "extraordinary measures" to keep the U.S. solvent could be exhausted by early summer. For months political barbs have been traded between the White House and Republicans in Congress but a resolution to address the nation's debt limit has yet to be found. The President and congressional Democrats are holding firm to the position that a proposal to either increase or suspend the debt limit should be "clean", without any strings attached, obligating clauses, restrictions or limitations. Republicans want to tie any effort related to increasing the nation's debt limit to spending controls.

House Republicans are expected to unveil their proposal to address the debt limit in the next week and are eyeing a possible vote on the measure in late April. The proposal is expected to:

- Increase the debt ceiling until May 2024;
- "Claw back" un-spent COVID-19 funds;



- Prohibit student loan forgiveness;
- Ease energy permitting;
- Impose work requirements for certain federal programs; and
- Reduce discretionary funding by capping FY 2024 funding to FY 2022 levels and limit future spending to 1% annually.

These proposals will face an uphill battle in the Democrat-controlled Senate, which sets the stage for the debate over the debt limit to likely be one of the most contentious and politically divisive issues lawmakers will face this spring and summer.

FY 2024 Appropriations

President Biden released a \$6.9 trillion FY 2024 budget proposal in March to kick off consideration of the FY 2024 federal budget. Through the spring and summer, Congress will work through the budget and appropriations process to develop the 12 annual appropriations spending bills that will fund the government. Normally, the first step would be for both chambers to agree on baseline spending numbers. With Republicans hoping to limit federal spending and tie spending caps to the debt limit, it's not likely any budget resolution agreement with the Democrat-controlled Senate will be possible. Both chambers plan to simply move forward on their own to develop and move appropriations bills through committee. The challenge will come when the bills have to be reconciled before they can advance to the President.

One area of the appropriations process that seems to be moving on track with bipartisan participation is consideration of Congressionally Directed Spending/Community Project Funding proposals (a.k.a, earmarks).

For FY 2024, the City of Bellevue submitted four earmark funding proposals and has learned that three of the four proposals will be advanced to the House Appropriations Committee by Representative Adam Smith and Representative . DelBene.

Representative Smith's office will advance Bellevue's \$1.5 million request for Digital Equity for Affordable Housing project. The project would help launch Bellevue's Digital Equity for Affordable Housing Initiative by providing free direct internet access to 600 subsidized affordable housing units (all low- and moderate-income households), including a men's homeless shelter and permanent supportive housing. The list of all projects being forwarded to the committee by Representative Smith can be found here: [Smith FY 24 Community Project Funding List](#)

Representative DelBene will advance Bellevue's \$1.095 million request for the Bellevue Police Body-Worn Camera project and the Bellevue-Redmond joint request for \$1.885 million for Electric Fire Engines and Charging infrastructure. DelBene's full list of projects is here: [DelBene FY 24 Community Project Funding List](#)



Senator Murray and Senator Cantwell are just starting to release their project lists. Like last year, the Senators will do “rolling” announcements over the next couple weeks. Most of Bellevue’s requests fall under the Transportation HUD Appropriations accounts, which is likely to be one of the last set of projects to be announced.

Murray’s list is here: [Murray FY 24 Congressionally Directed Spending List](#)

Cantwell’s list is here: [Cantwell FY 24 Congressionally Directed Spending List](#)

Once Members submit their projects to the Appropriations Committee, the Committee will determine which projects will actually make it into the bill for further consideration.

Tax & Finance

Several popular tax provisions that were left on the cutting room floor in the last Congress are expected to come back around. Members are hoping tax provisions with strong bipartisan support can attach themselves to must-pass legislative vehicles like the FAA reauthorization bill, annual National Defense Authorization Act, or even appropriations packages. Bipartisan efforts are underway to reintroduce bills focused on the following tax and finance matters:

Housing: A bipartisan group of members hope to push through tax and finance incentives to increase low-income housing availability and facilitate home ownership. Proposals expected to be introduced in the coming months include:

- A bill by Chairman of the Senate Finance Committee, Senator Ron Wyden (D, OR), to create a middle-income housing tax credit.
- The Neighborhood Homes Improvement Act by Senators Ben Cardin (D, MD) and Todd Young (R, IN) aim to help with home ownership; and
- The Affordable Housing Credit Improvement Act by Senator Cantwell (D, WA) will create more low-income rental housing through expansion of the Low-Income Housing Tax Credit. Similar legislation is also planned to be reintroduced in the House by Representatives Suzan DelBene (D, WA) and Brian Higgins (D, NY).

R&D Tax Credit: Reintroduced from the last Congress, The American Innovation and Jobs Act (S. 866) has bipartisan support and would expand the eligibility for the refundable research tax credit. It would also gradually raise the cap for the credit for small businesses and startups. Senator Murray is a co-sponsor of this bill.

Technology

A few bills focused on tech privacy and security are likely to make it to the House and Senate floor this spring/summer.



Kids Online Privacy and Protection: Several bills in Congress target online security. Broad legislation, however, faces many hurdles related to concerns around freedom of speech, censorship and how to effectively regulate something as expansive as the internet. In the Senate, Senate Majority Leader Chuck Schumer (D-N.Y.) is hoping to take a narrow approach and push through one of his priorities--legislation to protect children online. Two possible bipartisan proposals include:

- The Kids Online Safety Act (S. 3663) by Senator Blumenthal (D, CT) that would give minors options for protecting information, parents new control and researchers access to social media data sets.
- The Children and Teens' Online Privacy Protection Act, a bill sponsored by Senator Markley (D, OR) that would require companies to obtain consent when collecting kids' data and ban targeted marketing directed at minors.

Bipartisan bills to enhance existing privacy and safety protections for children stalled in the last Congress amid the push by some members for a comprehensive online privacy proposal. Schumer hopes to corral the Senate for a vote in June on a bill related to kids' online privacy.

TikTok Ban: Concerns over privacy, national security and surveillance are causing leaders in both chambers to consider legislation to ban or, at least, limit TikTok use in the US. A ban of TikTok on federal devices was already approved as part of FY 2023 spending law. Several states have also enacted laws to limit or ban TikTok on state devices. A bipartisan Senate bill, S.686, which has support of the President would authorize the President to force the divestiture of US holdings in "high-risk" apps. In the House, a Republican bill, HR 1153, would authorize the President to sanction individuals who knowingly operate software that is owned or influenced by China and could be contributing to its surveillance. These proposals and others that seek to limit the use of TikTok or similar apps, however, have met resistance from progressive as well as conservative members, who have expressed concerns over censorship.

Immigration

Border security is the top immigration policy priority for House Republicans. This spring the House is expected to take up legislation intended to tighten security at the US-Mexico border. Proposals include a package recently released by the House Judiciary Committee that is comprised of eight bill proposals. Among other things, the package will:

- Tighten asylum eligibility and rules, including imposing an asylum fee.
- Revise anti-trafficking laws to allow children to be detained with their parents for the duration of their immigrant court proceedings.
- Crack down on the Biden Administration's use of an authority known as "parole", which allows the federal government to give migrants temporary permission to live and work in the US.



- Ramp up requirements for employers to verify that their employees have permission to work in the US.

The House Homeland Security Committee is expected to also release a companion package related to immigration security.

These sweeping border security packages by the Republican-led House are not likely to advance very far in the Senate. However, some narrower immigration issues like border security funding and DACA path to citizenship could receive bipartisan support.

Grant Funding

Recently announced federal grant funding opportunities include the following:

Grid Innovation Program Grants: This DOE program provides \$1.8 billion in funding for infrastructure projects using innovative approaches to transmission, storage and distribution to enhance grid resilience and reliability. Deadline is 5/19/23

Charging and Fueling Grant Program: DOE has made available \$700 million in funding for projects to improve public access to electric vehicle charging and hydrogen, propane and natural gas fueling stations along designated alternative fuel corridors or other community locations accessible to drivers. Deadline is: 5/30/23

Safe Streets and Roads for All Grant Program: USDOT has announced the second round of funding for the Safe Streets and Roads for All Grant Program. \$1.18 billion is available during this round for local planning and implementation projects focused on safety initiatives to prevent death and serious injury on roads and streets. Deadline: 7/10/23

Bellevue applied for this grant during the FY 2022 round and plans to submit a proposal for the FY 2023 round.

Wildlife Crossings Pilot Program: This USDOT program makes \$111.85 million available for projects that seek to achieve a reduction in the number of wildlife-vehicle collisions while also seeking to improve habitat connectivity for terrestrial and aquatic species. Deadline: 8/1/23

Bellevue Federal Affairs Activities

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

National League of Cities (NLC) Annual Washington, DC, Conference and Delegation Office Visits: In March, Councilmembers Lee and Zahn attended NLC's annual conference in Washington, DC, where they had the opportunity to hear about federal opportunities and resources from agency officials, NLC staff and their peers.



Councilmembers Lee and Zahn took the opportunity while in DC to also visit with Bellevue's congressional delegation offices. Productive meetings occurred with the offices of Senators Cantwell and Murray and Representatives Smith and DelBene. Councilmembers Lee and Zahn were able to brief the delegation offices about Bellevue's federal grant applications and earmark funding requests. This was a good and timely opportunity to touch base with delegation offices to update them on what is going on in Bellevue and to advocate for some of the City's federal proposals and priorities.

Bellevue Federal Grant Proposals

Bellevue has a few federal grant proposals already under consideration with federal agencies. Staff are also continually evaluating new opportunities and are planning to submit grant applications for the following proposals this year:

- **B-SAFE:** As noted above, the second round of grants for the Safe Streets and Roads for All (SS4A) program has just been launched. Bellevue staff had a very positive debrief with USDOT about the City's 2022 B-SAFE proposal and plan to submit an updated proposal for the 2023 round of grant funding. Most of the feedback from USDOT was very positive and complimentary. Bellevue's 2022 B-SAFE proposal scored a "highly recommended" rating, the top rating possible. Areas we were encouraged to provide more clarity are around a few readiness factors (i.e., stage in the NEPA process, etc.). After receiving positive feedback and good direction about the City's B-SAFE proposal, Bellevue plans to rework the proposal based on feedback and intelligence gathered and reapply in the FY 2023 round of funding, which is due in July.
- **Kelsey Creek Culvert at Lake Hills Connector:** Bellevue submitted a \$1.506 million proposal to USDOT's National Culvert Grant Program to support the planning and design phase of the Kelsey Creek Culvert Project. We hope to submit a follow-up application in 2024 for the construction phase of the project. The project will restore fish passage to mainstem spawning and rearing habitat in Kelsey Creek. The project is located at the confluence of the mainstem of Kelsey Creek, Richards Creek and Wilburton Creeks. It is directly connected to Kelsey Creek Park, which includes 150 acres of protected forest, meadows, wetlands, and streams in the heart of Bellevue. Kelsey Creek Park is connected to 10 miles of an extensive Lake to Lake trail that passes several interpretative centers and neighborhoods allowing everyone in the community the ability to connect with nature and provide the opportunity to observe fish and wildlife.
- **Multi-family and commercial recycling outreach and education:** Bellevue has applied for a \$493,000 grant from EPA's Consumer Recycling Education and Outreach Grant Program. Funding from this grant would allow Bellevue to conduct door-to-door recycling and composting outreach to provide educational resources (e.g., recycling and composting guides and toolkits) 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: A \$675,000 proposal has been submitted for the EPA Solid Waste Infrastructure for Recycling (SWIFR) Grant Program. Grant funding will 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. The program will focus on increasing recycling participation particularly in the city's commercial/multi-family sector.

June DC Trip

A trip to DC in June is being planned for the Mayor, Deputy Mayor, City Manager and Director of External Affairs. This will be an opportunity to meet with our delegation members to provide them with an update on Bellevue and to discuss Bellevue's federal agenda and priorities.