

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

Since December, Congress and the Administration have focused on four key items: 1) passage of the FY 2020 spending bills to keep the government operating and avoid a shut-down; 2) passage of the National Defense Authorization Act; 3) impeachment; and 4) foreign affairs, particularly Iran and trade.

The impeachment trial and the 2020 elections will continue to keep things highly politically charged in Washington, DC, the desire and need to demonstrate leadership and achieve things for the American people will drive Congress and the Administration during this critical election year. Compromise and agreement on essential federal responsibilities like the budget, national defense, trade, health care and infrastructure are all in play and all sides will work to highlight and secure their priorities and bring home wins for their constituencies. It's a very good time to be engaged.

Mayor's December Washington, DC Trip

In December, Mayor John Chelminiak had a very successful trip to Washington, DC, in meetings with Bellevue's congressional delegation. The Mayor met with Senator Patty Murray, Senator Maria Cantwell, Representatives Adam Smith, Kim Schrier and Susan DelBene. The goals for the meetings were to enhance the City's relationship with its federal delegation and to explore and lay the groundwork for partnership opportunities for future federal support of City projects and priorities.

The mayor provided an update on the state of the City, which in his words is, "pretty awesome". He focused on Bellevue's "intentional" planning, creating community and bold policies that helped make the City a very desirable place to live and work. Bellevue is fiscally strong, well-managed and has clear priorities. It is a great partner and investment for the federal government. The Mayor provided a progress report on federally-supported projects (e.g. TIFIA loan projects in the BelRed, status of Eastlink, etc.). Projects in the BelRed are ahead of schedule and the US Department of Transportation (USDOT) continues to be pleased with the City's progress and management.

Mayor Cheliminiak also discussed city projects and priorities that could benefit from federal support. He discussed affordable housing and what the City is doing and where additional assistance could be helpful. He also discussed the Grand Connection, introducing it as, "...one of Bellevue's priority projects for the future; a once-in-a-lifetime opportunity, and transformative vision for Bellevue". Requests were made for assistance with both affordable housing and the Grand Connection. A recap of each meeting is included below:

Senator Patty Murray – The Mayor thanked Senator Murray for her support and leadership around the BelRed redevelopment, Sound Transit, etc. and she was eager to hear about Bellevue's plans for the future. The Mayor had an in-depth conversation with the Senator's Legislative Director, Ben Merkel, about the City's plans around Wilburton and the Grand Connection. It was a productive conversation that included a discussion about the City's efforts on housing and how what's happening in BelRed, Wilburton, etc., is all part of the City's plans for creating more affordable housing and improving mobility.

Senator Maria Cantwell – Senator Cantwell briefly stopped by to say hello and the Mayor had a very detailed discussion with her transportation and infrastructure staff team. The transportation team on Senator Cantwell's staff is dynamic and impressive and they are excited about the City's projects and look forward to continuing partnership efforts.

Representative Adam Smith – The Mayor had a very interesting and productive meeting with Representative Smith. He learned that the Congressman is working hard to encourage more competition in the Defense contracting space and is helping to encourage companies working in that space in our region.

Representative Susan DelBene – The Mayor met with Sasha Bernhard, Representative DelBene's senior staff on telecommunications and transportation issues. Sasha was in Bellevue last spring and was briefed by City staff on a number of projects and initiatives including, smart cities technologies, BelRed, Wilburton, the Grand Connection, Meydenbauer Bay Park, etc. Sasha is former Bellevue resident and a strong supporter of Bellevue. Sasha noted that Representative DelBene might be close to being able to move her bill, the Affordable Housing Tax Credit Improvement Act (HR 3077). The Senate companion to this bill (S. 1703) is sponsored by Senator Maria Cantwell.

Representative Kim Schrier – The Mayor met with Representative Schrier and her senior legislative aide, Jen Cash, who is a former Bellevue resident. Representative Schrier knows Bellevue but was unaware of details around its "intentional" development efforts and objectives. She was impressed with the City's initiatives on housing and transportation and would like to continue to stay in touch and find opportunities to work with the City.

IMPEACHMENT PROCESS MOVES TO SENATE

On December 18, the House took a historic vote to impeach President Trump through H.R.755 for abuse of office and obstruction of Congress. The two-count impeachment describes the President

actions related to a July 25 phone call with Ukrainian President Volodymyr Zelenskiy. House Speaker Nancy Pelosi (D-CA) sent the Articles of Impeachment to the Senate earlier this month.

The impeachment process has shifted to the Senate where a trial is underway. Senate Majority Leader Mitch McConnell (R-KY) proposed a resolution that lays out the rules of procedure in the Senate trial. The proposed procedures include time for opening arguments, two calendar days and 24 hours each for the House and the defense to lay out their cases followed by a period for Senators to ask questions. The Senate will also vote on whether it will consider and debate witness subpoenas. If the Senate votes yes, both sides will be free to make motions to subpoena witnesses, and the Senate can debate and vote on them. In the end, the Senate will need a vote of a two-thirds majority to convict on any article of impeachment. A conviction by the Senate can result in removal from office and, at the Senate's discretion, disqualification from holding future office.

BUDGET AND APPROPRIATIONS

All 12 FY 2020 appropriations bills were enacted within hours of the funding deadline in December. The \$1.4 trillion-dollar, bipartisan agreement increases federal spending in FY 2020, extends several key federal programs set to expire and enacts popular retirement tax proposals. As part of the agreement, Republicans get to fulfill the \$22 billion increase in defense spending agreed upon in the summer budget caps agreement. Provisions Democrats pushed for in the final bill include a \$24.5 billion increase in nondefense spending, a 3.1% pay boost for federal employees, \$425 million in election security grants and \$7.6 billion for the Census Bureau ahead of its 2020 decennial survey. The legislation would also provide \$25 million for gun violence research at the Centers for Disease Control and National Institutes of Health, agencies that avoided studying the topic for decades because of the Dickey amendment that bars them from advocating for gun control.

Program Extensions and Tax Provisions: In addition to the spending measures, the package also includes several unrelated provisions, including language to repeal Obamacare taxes, raise the age for tobacco purchases to 21, extend the Export-Import Bank for seven years, extend several health care programs through May 2020 and extend the National Flood Insurance Program through the fiscal year. Also included in the bill are several provisions that address some errors in the 2017 tax law and offer tax relief to victims of natural disasters, and several retirement tax breaks that were originally part of the SECURE Act (Setting Every Community Up for Retirement Enhancement), which passed the House but was stuck in the Senate.

OTHER POLICY UPDATES

US-Mexico-Canada Agreement

The Senate approved implementation of the US-Mexico-Canada Agreement (USMCA) earlier this month, which is one of President Trump's top legislative priorities. The House approved the measure in December. The USMCA legislation also appropriates funding to implement and enforce the agreement. USMC is an update to NAFTA (North American Free Trade Act), which took effect in 1994. NAFTA integrated the US, Canada and Mexico's economies and covered most of the \$1.25 trillion in trade among them.

The USMCA includes many of the same provisions as NAFTA but adds new chapters on labor and the environment, which were previously addressed in side agreements. It includes updates to reflect the modern economy, including new provisions on e-commerce and digital trade. It also includes North American content and labor value requirements for automobiles, stronger intellectual property protections and expanded agricultural market access between Canada and the US.

NATIONAL DEFENSE AUTHORIZATION ACT

Reauthorization of national defense programs at the Pentagon, the Energy Department and other agencies was enacted in late December. The National Defense Authorization Act (NDAA) authorizes about \$738 billion in FY 2020 and was shepherded through Congress, in part, by the leadership of Bellevue's Congressman, Representative Adam Smith, Chairman of the House Armed Services Committee.

The compromise between the House and Senate would comply with the spending cap agreement enacted in August. It authorizes about \$635 billion in base funding for the Defense Department and \$71.5 billion in Overseas Contingency Operations funding that doesn't count against the discretionary spending caps. Nuclear weapons programs and related defense initiatives at the Energy Department are authorized to receive \$23.1 billion. A few additional highlights of the bill include:

- Creating a paid parental leave program for federal employees;
- Phasing out over three years the "widow's tax" that reduces survivor benefits when other payments are received;
- Providing a 3.1% pay increase for service members;
- Reducing the use of "forever chemicals" (PFAS) on military bases, though it doesn't include language from the House measure that would have broadly restricted their use.
- Requiring an assessment of the impact any planned or proposed southern border wall construction would have on the volume of illegal narcotics entering the U.S., though it omits any particular restriction on building a barrier; and
- Authorizing intelligence programs across the federal government for FY 2018 through 2020.

Infrastructure

Transportation Reauthorization

The authorization of most federal surface transportation programs for transit and roads (FAST Act) is due to expire by September 30, 2020. House and Senate leaders recently signaled that they are ready to dedicate time and attention to moving this critical infrastructure package. House Speaker Nancy Pelosi announced last week her chamber is ready to unveil a long-awaited infrastructure plan when lawmakers return from recess the week of January 27. House Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) signaled in December that his committee was close to completing its draft of a House surface transportation package.

In the Senate, Majority Leader Mitch McConnell (R-KY) has told committee chairs to ready for moving the highway and transit bill that has been on hold since last summer. It's expected the bill will come to the Senate floor soon after the impeachment trial is completed.

At the end of last July, the Senate Environment and Public Works Committee released a five-year, bi-partisan surface transportation reauthorization bill, "America's Transportation Infrastructure Act of 2019". The bill would reauthorize surface transportation programs under the FAST Act and, among other provisions, includes the first climate change title in a highway bill. A few provisions of the Senate bill include:

- Establishing a competitive grant program funded at \$1 billion over five years, for states and localities to build hydrogen, natural gas, and electric vehicle fueling infrastructure along designated highway corridors that do not have this infrastructure;
- Authorizing \$287 billion in highway spending which would be the most substantial highway legislation in history;
- Authorizing \$259 billion to be distributed to states by formula;
- Codifying key tenets of the "One Federal Decision" policy to streamline infrastructure project delivery and federal approvals;
- Establishing a program to support projects that will improve the resiliency of roads and bridges to natural disasters and extreme weather events;
- Authorizing a mix of formula-based and grant-based programs to begin to reduce transportation-related emissions;
- Amending the Safe Routes to School Program to apply the program through the 12th grade to enable and encourage high school students to walk and bike to school safely;
- Establishing a new competitive grant program to assist state, local, and tribal entities to rehabilitate or replace structurally deficient bridges;
- Providing supplemental formula and competitive grant funds (\$500 million and \$100 million per year) to states and urban areas to expand and provide incentives for investments in transportation safety projects;
- Updating the TIFIA loan program to increase utilization, streamline the application process, and increase transparency in the vetting process for projects seeking TIFIA funds. Expanding program eligibility to include airport projects and additional transit-oriented development projects, subject to a cap and sunset.
- Extending the authorization of State Infrastructure Bank program through FY 2025.

While the Senate Environment and Public Works Committee's bill provides federal authorization for surface transportation programs, it does not solve the problem of how to fund the programs. The Highway Trust Fund, which pays for surface transportation projects, is on track to run out of funds by 2022 without an infusion of new dollars.

Senate Finance Chairman Chuck Grassley (R-IA) announced recently that he and his staff are working to finalize a set of transportation pay-fors that will raise \$113 billion for transportation programs. The \$113 billion in extra pay-fors would augment existing federal excise taxes that support surface

transportation programs. In all, the Senate transportation reauthorization bill authorizes \$287 billion in program funding. Having a Senate Finance Committee ‘pay-fors’ bill would enable Majority Leader Mitch McConnell (R-Ky.) to bring the surface transportation reauthorization bill to the Senate floor.

Water Resources Development Act of 2020

The House recently began holding hearings on possible proposals for a reauthorization of the Water Resources Development Act (WRDA) which provides authorization for the US Army Corp of Engineers and other agencies’ infrastructure and development projects.

Health and Human Services

In December, the US Department of Agriculture (USDA), which administers food programs, announced new regulations that will tighten eligibility for the Supplemental Nutrition Assistance Program, or SNAP (formerly known as food stamps). The new rule will make it harder for states to gain waivers from a requirement that beneficiaries work or participate in a vocational training program. The new work requirement covers “able-bodied” recipients up to age 50 and does not apply to those who are disabled, pregnant, or anyone with a child under 18 years of age.

The rule would also reduce the ability of states to enroll recipients earning more than 130 percent of the federal poverty guidelines. Households are also limited in most cases to \$2,250 in countable assets, such as cash or money in bank accounts. Forty states and the District of Columbia use alternative eligibility criteria allowing participants in some federally funded welfare programs to automatically receive food stamps as long as their income is less than double the poverty level.

The USDA estimates that 688,000 people will lose food stamps by 2021 and 709,000 by 2024 under the new work requirement rule. An analysis published by the department estimates the new rule will cut food-stamp spending by \$5.5 billion over five years.

The District of Columbia, New York City, and 14 state attorneys general have filed a lawsuit against the USDA and Secretary Sonny Perdue. The claim is that states are being illegally barred from waiving work requirements for SNAP recipients living in areas with high unemployment. The states of Oregon and California are both party to the suit.

POLICY & FISCAL IMPACTS

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OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

N/A