

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

The recent federal legislative focus has been on infrastructure and whether a deal can be brokered between the White House and congressional Republicans. The budget and appropriations process in Congress is underway. Several other key bills are also under consideration in Congress and the White House continues to push climate change policies on all fronts, including with international partners at the G-7.

INFRASTRUCTURE**Infrastructure Package Negotiation Efforts**

The White House and Republicans, led by West Virginia Senator Shelley Moore Capito, are negotiating on infrastructure. Both sides have come closer together on the overall funding level and proposals around "traditional" infrastructure, including roads, transit, water, and broadband. A deal is still elusive.

President Joe Biden came down from his initial proposal of a \$2.25 trillion infrastructure package to a \$1.7 trillion package in May. The latest Republican counter-offer package was almost \$1 trillion. However, the two sides failed to make progress on President Biden's 'social infrastructure' priorities and Republicans remain firmly opposed to the President's proposals to pay for infrastructure with tax increases, which include a corporate tax increase and tax increases on wealthy households. From the beginning the Progressive Caucus felt Biden's initial \$4 trillion infrastructure package did not go far enough and have strongly opposed efforts to reduce the proposal further and compromise with Republicans. Negotiations shut down in early June with the White House officially rejecting the Republican's latest package.

A couple days after talks with the White House broke off, a bipartisan group of 10 Senators released an outline of a bipartisan deal consisting of \$1.25 trillion in infrastructure investments that would be paid for

by indexing the gas tax to inflation and utilizing unspent COVID-19 relief funds. As of June 15, the White House had not commented on the bipartisan proposal. It is speculated that the White House may view the idea of indexing the gas tax to inflation as a potential tax increase on families making below \$400,000 and reject the deal on those grounds. The bipartisan bloc is continuing to flesh out details of its outline and consider pay-for options.

The bipartisan group includes the Senate's most moderate and staunchly independent members, Joe Manchin (D, WV), Kyrsten Sinema (D, AZ), Susan Collins (R, ME) and Lisa Murkowski (R, AL). It also includes Bill Cassidy (R, LA), Mitt Romney (R, UT), Rob Portman (R, OH), Jon Tester (D, MT), Mark Warner (D, VA) and Jeanne Shaheen (D, NH). If President Biden cannot reach a deal on infrastructure, he will need many of these members to help him push through a Democrat-led package in the Senate.

Senate Majority Leader Chuck Schumer (D, NY) and House Speaker Nancy Pelosi (D, MD) stated they want to pass an infrastructure package by August. The White House appears, for now, to not want to set a hard deadline on negotiations but it is doubtful Progressives and President Biden will be willing to let talks stretch beyond the July 4 congressional recess.

Surface Transportation

While the White House has been busy negotiating an overarching infrastructure proposal, congressional committees have been busy moving forward legislative proposals to enact key elements of infrastructure policy. This includes reauthorization of federal surface transportation programs, which are set to expire under the FAST Act on September 30.

The House Transportation and Infrastructure Committee advanced the ***INVEST in America Act (HR 3684)*** out of committee. This \$547 billion surface transportation authorization bill closely aligns with Biden's proposals for transportation and is expected to be considered by the full House before the end of June. Key provisions include:

- \$343 billion for roads, bridges, and safety programs, including a new Safe Streets for All Grant program
- \$109 billion for transit
- \$95 billion for rail
- *This bill includes member designed requests (earmarks), including the City of Bellevue's request for \$1 million for the Bellevue Transit Center and King County's request for the Eastrail Wilburton Critical Crossing project.*

In the Senate several committees split jurisdiction of transportation programs.

Senate Environment and Public Works Committee unanimously passed a \$305 billion, bipartisan surface transportation title focused on funding for roads and bridges. The bill includes:

- New \$3 billion Bridge Investment program

- \$4.8 billion for the INFRA grant program
- \$6.4 billion for a new Carbon Reduction Program

Senate Commerce Committee, which is chaired by Washington's Senator Maria Cantwell, released a \$78 billion, bipartisan surface transportation title (S. 2016) that focuses on rail, roads, freight etc. The bill includes:

- \$1.2 billion for INFRA;
- Competitive grants funding: \$1.5 billion for RAISE/BUILD grant program; \$2 billion for new National Infrastructure Project Assistance Grants;
- \$800 million culvert program (this program is aimed at providing assistance to Washington State and the Puget Sound region to replace, remove and restore culverts per the tribal lawsuit)
- \$13 billion for safety programs, including the new Safe Streets and Roads for All Grant program)

Transit and housing programs in the Senate fall under the jurisdiction of the Senate Banking, Housing and Urban Affairs Committee and the Senate Finance Committee. The Senate Banking Committee held a hearing on June 15 focused on transit programs, "Local Leaders on Infrastructure Needs". Legislation is expected soon from both the Banking and Finance committee to advance transit programs. The Finance Committee has already moved the *Clean Energy for America Act*, a \$259.5 billion [package](#) of clean energy tax credits and incentives that includes \$31.6 billion in consumer incentives for electric cars and would end tax breaks used by the fossil fuel industry.

Water Infrastructure

Legislation to support water infrastructure programs to address drinking water and wastewater has received strong bipartisan support and is moving quickly through Congress.

The Drinking Water and Wastewater Infrastructure Act of 2021 (S. 914) passed out of the Senate at the end of April with overwhelming, bipartisan support. The bill authorizes \$35 billion through 2026 for water resource development projects including:

- \$15 billion for Clean Water State Revolving Funds
- Lead pipe replacement programs
- Grants for public water systems in small and disadvantaged communities
- \$50 million for The Water Infrastructure Finance and Innovation Act
- Research grants, pilot programs, sewer overflows, etc.

The Water Quality Protection and Job Creation Act of 2021 (HR. 1915) was passed by the House Transportation and Infrastructure Committee with bipartisan support. The bill authorizes \$50 billion through 2026 for water resources programs:

- \$40 billion for the Clean Water State Revolving Fund;

- \$2 billion in grants to municipalities for sewer overflows and stormwater and \$2.5 billion to states to implement state water pollution control programs;
- \$1 billion for watershed pilot programs
- \$1 billion for alternative water source projects

The House Energy and Commerce Committee is also considering two bills related to water infrastructure: the AQUA Act of 2021 (HR 3291) & PFAS Action Act (HR 2467), both bills deal with PFAS; and the Low-Income Water Customer Assistance Program Act of 2021 (HR 3293).

BUDGET AND APPROPRIATIONS

In mid-April the Administration released a \$1.6 trillion fiscal year (FY) 2022 Budget Proposal. The President's budget proposal is basically an aspirational blueprint to fund the policy priorities. A few key themes of President Biden's FY 2022 Budget Proposal include:

- Increases across the board in domestic discretionary funding (16 percent increase over FY 2021) – increases funding for all federal agencies.
- Climate Change proposals are prioritized and woven throughout the federal government
- Education receives major new investments (41 percent increase)

The release of the President Biden's budget proposal also begins the congressional appropriations process. The House Budget Committee released topline budget numbers to the Appropriations Committees so they can begin the work of drafting bills. This year, the congressional appropriations process includes the consideration of member designated requests (earmarks). Congress has not allowed for the consideration of earmark funding since 2011. The City of Bellevue submitted four requests to our delegation for appropriations earmark consideration: Community Crisis Assistance Team to help with response to 911 calls; Bellevue Transit Center; Bellevue Police Camera Program; and Safety Improvements at 156th Ave SE and Lake Hills Boulevard.

POLICY & FISCAL IMPACTS

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OPTIONS

N/A

ATTACHMENTS & AVAILABLE DOCUMENTS

N/A

AVAILABLE IN COUNCIL LIBRARY

N/A