

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

Weeks of legislative action and negotiations will culminate at the end of July as Congress and the White House race to finalize negotiations and move major pieces of the Democrat majority's agenda before the start of the August recess. On the table are a bipartisan proposal for new investments in infrastructure and the Democrat's push for "social infrastructure" investments. Senate Majority Leader Chuck Schumer (D, NY) set a deadline for procedural votes for July 21 on the infrastructure package and budget reconciliation, including social programs and budget, to force a conclusion to negotiations and spur along the development of legislation. Senator Schumer and House Speaker Pelosi (D, CA) have stated for several months they aim to have an infrastructure package to President Joe Biden by the fall.

Action to advance the annual federal funding bills are also racing to beat the clock with the House hoping to move a majority of the 12 appropriations bill out of its chamber by the end of July.

INFRASTRUCTURE

Federal infrastructure discussions are happening on two separate tracks.

Track I – Physical/Traditional Infrastructure

Track I includes active negotiations on physical infrastructure investments, such as roads, bridges, and transit. The most viable infrastructure package was released by a bipartisan group of 10 Senators last month. Since then, this group doubled in size and the President has signaled his support of the plan's spending outline. The \$1.25 trillion package includes approximately \$579 billion in new investments. The outline released by the bipartisan group in June includes the following:

Bi-Partisan Infrastructure Proposal	
	Amount (Billions)
Transportation	\$312
Roads, bridges, major projects	\$109
Safety	\$11
Public transit	\$49
Passenger and freight rail	\$66
Electric vehicle infrastructure	\$7.5
Electric buses / transit	\$7.5
Reconnecting communities	\$1
Airports	\$25
Ports and waterways	\$16
Infrastructure financing	\$20
Other infrastructure	\$266
Water infrastructure	\$55
Broadband infrastructure	\$65
Environmental remediation	\$21
Power infrastructure including grid authority	\$73
Western water storage	\$5
Resilience	\$47

The specific details of the package and legislative text are still under discussion and have yet to be released. The greatest area of potential for contention is “pay-fors,” or spending offsets. An initial proposal to pay for part of the package by indexing the gas tax to inflation was swiftly taken off the table by President Biden. This week Republicans removed a proposal to assume revenue from an increase in Internal Revenue Service enforcement. Despite these challenges, momentum remains for a physical infrastructure package.

Track II – “Social Infrastructure”

Track II represents effort to boost investments in “social infrastructure” that President Biden outlined as part of his original American Families Plan. This track is being engineered and driven entirely by congressional Democrats.

Last week, Senate Democrats outlined a \$3.5 trillion budget resolution that will tee up reconciliation instructions, allowing Democrats to get around the Senate filibuster and pass their social infrastructure

spending and tax legislation with a simple majority, with 50 votes and Vice President Kamala Harris proving the tie-breaker. To achieve this Democrats will need to keep their entire Senate caucus aligned. Moderate Democrats like Senators Joe Manchin (D, WV) and Kyrsten Sinema (D, AZ) opposed the size of some earlier proposals, in particular some of the tax increase proposals to pay for an infrastructure package. The budget resolution will be a framework of budget instructions with details still to come as legislation is crafted to authorize specific programs and funding.

The \$3.5 trillion budget resolution outline that was released last week by Senate Democrats is summarized below:

Senate Democrats' \$3.5 trillion Budget Resolution Framework – Social Infrastructure	
Child Tax Credit expansion	\$3,600/year for kids under six and \$3,000/year for kids over six
Extend American Recovery Plan tax credits	<ul style="list-style-type: none"> • Child tax credit • Earned income tax credit • Child and dependent care tax credits
Climate Change	<ul style="list-style-type: none"> • Clean energy standard • Clean energy and vehicle tax incentives • Civilian climate corps • Climate smart agriculture, wildfire prevention and forestry • Federal procurement of clean technologies • Weatherization and electrification of buildings • Clean energy accelerator • New methane reduction and polluter import fees
American Families Plan Proposals	<ul style="list-style-type: none"> • Universal pre-kindergarten for three- and four-year old children • High quality and affordable childcare • Community college, and Pell Grants • Paid family and medical leave • Nutrition assistance • Affordable housing
Housing, small business, manufacturing and workforce	<ul style="list-style-type: none"> • Housing investments • Innovation and research and development upgrades

	<ul style="list-style-type: none"> • Small business support • American manufacturing and supply chains funding • Investment in workers and communities • Lawful permanent resident or “green card” status for immigrants and border management • Pro-worker incentives and penalties
Offsets	<ul style="list-style-type: none"> • Tax reform, including corporate, international, high income individuals, and tax enforcement • Health savings • Long-term economic growth • Tax increases in the proposal are prohibited on families making under \$400,000/year, small businesses and family farms

Surface Transportation Reauthorization

While the big infrastructure proposals outlined in Track I and Track II are loose frameworks, surface transportation reauthorization legislation has moved steadily forward, and with bipartisan support in the Senate. Congress must meet a deadline of September 30 to reauthorize federal surface transportation programs before the FAST Act expires. The Act has already been extended for one year from its original deadline date.

At the end of June, the House passed its version of the surface transportation reauthorization bill, the, ***INVEST in America Act***. This \$547 billion surface transportation authorization bill includes :

- \$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. Both projects were submitted by Representative Adam Smith (D, WA-09)*

In the Senate several committees split jurisdiction of transportation programs.

Senate Environment & Public Works Committee unanimously passed a \$305 billion, bi-partisan 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
- \$6.4 billion for a new Carbon Reduction Program

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

- \$1.2 billion for Infrastructure for Rebuilding America (INFRA) Grant program;
- 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 (includes 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. These committees have yet to release proposals related to surface transportation reauthorization.

BUDGET AND APPROPRIATIONS

The congressional process to consider and move the 12 annual funding/appropriations bills started in June. This year, the congressional appropriations process includes the consideration of member designated requests, or "earmarks". The City submitted four requests to Bellevue's delegation for appropriations earmark consideration:

- Community Crisis Assistance Team (CCAT) to help with response to 911 calls;
- Bellevue Transit Center;
- Bellevue Police Camera Program; and
- Safety Improvement at 156th Avenue SE and Lake Hills Boulevard.

Senator Cantwell included Bellevue's request for the CCAT program in her submission to the Appropriations Committee. As described above, Bellevue's request for the Bellevue Transit Center was included by Representative Adam Smith in the House-passed surface transportation reauthorization bill, the Invest in America Act.

Thus far, the House has moved several appropriations bills out of committee and plans to take up a seven-bill appropriations package on the floor next week. According to House Majority Leader Steny Hoyer (D, MD), this first appropriations "minibus" will consist of the Agriculture-Food and Drug Administration, Energy and Water, Financial Services, Interior-Environment, Labor-Health and Human Services-Education, Military Construction-Veterans Affairs, and Transportation-Housing and Urban Development spending bills. Below is a summary of proposals that may be of interest to Bellevue that are under consideration in the House appropriations measures:

House FY 2022 Appropriation Proposals

Agriculture-FDA Bill -- \$26.6 billion

- Provides \$105.8 billion for Supplemental Nutrition Assistance Program (SNAP), \$26.9 billion for child nutrition, and \$6 billion for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Includes a “such sums” appropriation for unanticipated SNAP costs in last three months of fiscal year and a \$3 billion contingency reserve.

Commerce Justice State - \$81.3 billion (14 percent increase)

- Provides \$753.8 million for Violence Against Women Act programs, a 48 percent increase from fiscal year (FY) 2021.
- Blocks Department of Justice grant funding unless states, local governments meet specified conditions, such as eliminating racial profiling, deadly force, chokeholds, and “no-knock” warrants in drug cases.
- Requires at least 25 percent of [Byrne Justice Assistance Grant](#) funds be used for activities aimed at improving police practices.

Department of Homeland Security - \$52.8 billion, \$934 billion over FY 21

- Increases Federal Emergency Management Agency funds to \$23.8 billion from \$21.7 billion.
- Increases Cyber Security and infrastructure security funds to \$2.4 billion from \$2 billion.
- Rescinds more than \$2 billion in previous funds for wall construction along U.S.-Mexico border
- Bars the department’s use of funds to deny entry into the U.S. based solely on personal marijuana use.
- Prohibits Department of Homeland Security’s support for local law enforcement at protests unless approved by the Secretary.
- Provides a total of \$76.2 billion, including disaster relief funds and fee-funded programs

Energy & Water - \$56 billion, increase of \$6.7 billion

- Increases energy programs to \$16.8 billion from \$12.4 billion.
- Increases Environmental and other defense activities to \$8.4 billion from \$7.3 billion.
- Enacts President Biden’s proposal to revamp and rename the Energy Department Office of Fossil Energy and Carbon Management to focus on carbon reduction and mitigation in difficult-to-decarbonize sectors.

Interior-Environment - \$43.4 billion, a 20% increase

- Increases Environmental Protection Act funds to \$11.3 billion from \$9.2 billion.
- Increases U.S. Forest Service funds to \$6.2 billion from \$5.4 billion

<ul style="list-style-type: none"> • Includes \$5.66 billion in Interior Department and USFS funding to combat wildfires, including reserve funds. • Includes \$3.23 billion for the Clean Water and Drinking Water state revolving funds, an increase of \$464 million. • Includes \$900 million in mandatory funding from the Land and Water Conservation Fund
Labor Health and Human Services - \$237.5 billion
<ul style="list-style-type: none"> • Increases Health and Human Services funds to \$119.8 billion from \$97 billion. • Increases Education Department funds to \$102.8 billion from \$73.5 billion. • Increases Labor Department funds to \$14.7 billion from \$12.5 billion. • Removes the Hyde amendment that prohibits use of federal funds for abortions. • Requires Title X grantees to provide counseling or referrals for abortion when requested. • Blocks funding for Wuhan Institute of Virology and for “gain-of-function” research by foreign adversaries. • Makes Deferred Action for Childhood Arrivals recipients and others with temporary protected status eligible for federal financial aid. • Limits federal funding for for-profit colleges and charter schools. • Blocks Trump-era rule allowing states to use federal grants to privatize job-search services.
Transportation Housing and Urban Development (HUD) - \$162.6 billion
<ul style="list-style-type: none"> • Increases USDOT increase to \$105.7 billion from \$86.7 billion. • Increases HUD funds to \$56.5 billion from \$49.6 billion. • Increases highway and transit funding consistent with the “INVEST in America Act”. • Provides \$100 million for a new Thriving Communities program to address transportation barriers. • Includes funds to purchase more than 300 zero-emission buses and 400 diesel buses.

Source: BGOV – On Point: Appropriations Update July 14, 2021.

The Senate has not yet announced an appropriations schedule, which makes it increasingly likely that a continuing resolution will be needed to keep the federal government funded beyond the fiscal year and avert a government shutdown.

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