

**Metropolitan Transportation Commission and the Association of Bay Area Governments
Joint MTC ABAG Legislation Committee**

September 10, 2021


Agenda Item 4b

Washington D.C. Legislative Update

Subject: July and August 2021 Report from Washington, D.C. advocate.

Recommendation: Information

Attachments: Attachment A: Summit Strategies Team Report – July and August 2021


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Summit Strategies Team Report – July and August 2021

From: Summit Strategies Team

To: Therese McMillan, Executive Director

Date: September 1, 2021

Subject: Federal Policy Monthly Report

- **Overview**
 - **Senate Passes the Infrastructure Investment and Jobs Act**
 - **Democrats Prepare for another Budget Reconciliation Bill**
 - **Infrastructure vs. Budget Reconciliation Explained**
 - **Appropriations Updates**
 - **Agency Actions and Competitive Grants Update**
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Below is a status update on issues of interest to MTC, and the actions that we have taken to date.

Senate Passes the Infrastructure Investment and Jobs Act

On Tuesday, August 10, 2021, following months of negotiations, the Senate passed the trillion-dollar Infrastructure Investment and Jobs Act (IIJA). At the end of July, the bipartisan group of Senators leading discussions reached a compromise on revenue sources, such as repurposing \$205 billion of unused COVID relief funds and \$53 billion in untapped enhanced unemployment benefits, setting the stage for passage. The bill, which represents a significant win for President Biden's agenda, passed the Senate 69-30. 19 Republican senators, including Senate minority leader Mitch McConnell (R-KY), joined their Democratic colleagues in supporting the bill. The package provides \$550 billion in new spending on new physical investments over the next five years, including:

- \$110 billion increase over existing levels for roads and bridges, including:
- \$66 billion for freight and passenger rail
- \$11 billion for safety programs
- \$39.2 billion for transit, including:
- \$65 billion for broadband
- \$17.3 billion for ports and waterways
- \$25 billion for airports
- \$55 billion for water infrastructure
- \$73 billion for grid upgrades
- \$46 billion for resiliency
- \$7.5 billion for Low-carbon and zero-emission school buses and ferries

The infrastructure package, which also doubles as a five-year transportation reauthorization bill, would represent a significant increase in federal transportation investment. The legislation incorporates many of the priorities outlined by MTC and represents months, if not years, of interaction with the California delegation as well as other key members of the Senate.

The situation in the House is less clear, as a group of moderates, led by Rep. Josh Gottheimer (D-NJ), threatened to derail a procedural vote on the budget resolution (see below) moving through the chamber if the House did not immediately pass the Senate's infrastructure measure. Ultimately, Speaker Pelosi committed to a September 27th deadline for the infrastructure package, three days before the existing one-year FAST Act extension expires and Democratic moderates agreed to move forward. Mounting pressure from the White House, the business community, organized labor, and the public increases the likelihood that Congress can enact this popular bipartisan infrastructure legislation by September 27th.

Democrats Prepare for another Budget Reconciliation Bill

After the House adopted a special rule, the Senate-crafted budget resolution set the stage for the budget reconciliation process. Budget reconciliation is a special process, or tool, that allows the majority to bypass the filibuster - allowing legislation to advance through the Senate with 51 votes rather than 60. The process involves instructing relevant committees to change spending, revenues, deficits, or the debt limit by specific amounts, which the Budget Committee then packages into one bill. Reconciliation can only be used in certain circumstances, including policies that directly impact the budget through revenues and spending. The Senate parliamentarian also has power over deciding whether specific provisions are allowed to be part of the budget resolution.

The Senate Budget Committee and Senate Majority Leader Schumer issued a memorandum on Monday, August 9, 2021, providing the following topline figures for the relevant committees:

- \$135 billion for the Agriculture Committee
- \$332 billion for the Banking, Housing, and Urban Affairs Committee
- \$83 billion for the Commerce, Science, and Technology Committee
- \$198 billion for the Energy and Natural Resources Committee
- \$67 billion for the Environment and Public Works Committee
- \$726 billion for the Health, Education, Labor, and Pensions Committee
- \$37 billion for the Homeland Security and Governmental Affairs Committee
- \$107 billion for the Judiciary Committee
- \$20.5 billion for the Indian Affairs Committee
- \$25 billion for the Small Business and Entrepreneurship Committee
- \$18 billion for the Veterans Affairs Committee

Additionally, the Finance Committee received instructions requiring at least \$1 billion in deficit reduction. This will provide the Committee with flexibility to make investment, revenue and offset decisions consistent with the policy recommendations.

Lawmakers received similar instructions in the House, with the Transportation and Infrastructure Committee Chairman Peter DeFazio (D-OR) receiving \$60 billion, of which \$41 billion is eligible for transportation-related measures. Further, the allocations between roads and highways and transit must adhere with the committees of jurisdiction in the Senate. The Senate Environment and Public Works Committee has jurisdiction over highways, while transit falls under the Senate Banking Committee. Chairman DeFazio is also constrained by the Byrd Rule, which requires all available funding to be spent out of the Treasury Department during the ten-year period.

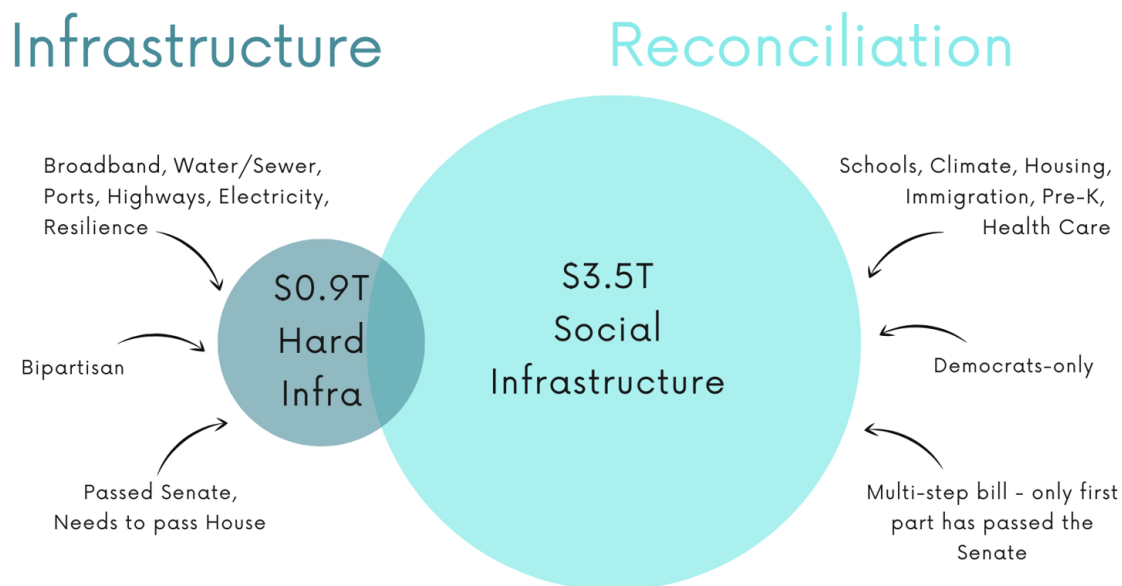
Numerous transit advocates have called on Congress to include an additional \$10 billion for transit in the reconciliation package. However, advocates and supporters are facing resistance based upon a deal that was struck between the White House and the bi-partisan leaders of the

infrastructure package that precludes Budget reconciliation from including funding for programs that were already included in the infrastructure package; this prohibition against ‘double-dipping’ is presenting a challenge for those in the House who would like to see additional investment in transit and carbon reduction programs.

Your MTC team has been in regular contact with staff from the House Transportation and Infrastructure Committee advocating for transit funding to be included in a manner that will benefit the Bay Area.








Infrastructure vs. Budget Reconciliation Explained

The media (and even Members of Congress) often conflate the infrastructure package and the budget reconciliation package. It can become incredibly confusing for even those who are paying close attention to what is going on in D.C. We have developed a few infographics which will help clarify the difference between the two packages:

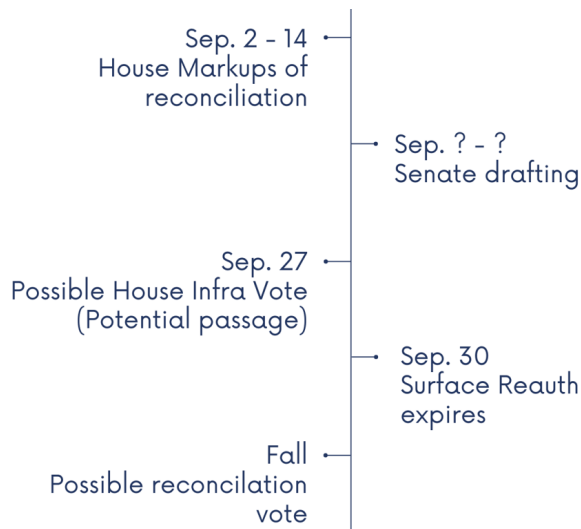


What is reconciliation?

- Special budget process to pass a funding bill in the Senate with only 50 votes
- Complicated rules govern what can be included

BUDGET Highlights of the Tool of Reconciliation	
Permitted Changes	Not Permitted
Mandatory Spending Levels 	 Provisions without budgetary effect
Revenue Levels 	Provisions outside the reporting committee's jurisdiction 
The Debt Limit 	Provisions increasing the deficit beyond the budget window 
	Provisions affecting Social Security 

Key Dates



Appropriations Updates

In August 2021, the House Appropriations Transportation, Housing and Urban Development, and Related Agencies (THUD) Subcommittee released a draft of the FY22 THUD funding bill. The Department of Transportation (DOT) would receive \$105.7 in budgetary resources, approximately \$21.1 billion over FY21 and \$19 billion over the President's Budget request. The Department of Housing and Urban Development (HUD) would receive \$50.6 billion, which represents an increase of \$13.3 billion above the President's budget request. Topline figures include:

- \$62.5 billion for the Federal Highway Administration (FHWA)
- \$15.5 billion for the Federal Transit Administration (FTA)
- \$4.12 billion for the Federal Railroad Administration (FRA)
- \$18.9 billion for the Federal Aviation Administration (FAA)
- \$25.8 billion for the Office of Public and Indian Housing
- \$9.1 billion for the Office of Community Planning and Development
- \$3.2 billion for the Public Housing Capital Fund
- \$4.6 for the Public Housing Operating Fund

Of the \$15.5 billion included for FTA, \$12.5 billion would be provided through HTF contract authority. Most of the appropriations-specific funding targets discretionary grant programs, including the Low or No Emission Vehicle program. The Capital Investment Grant program would receive approximately \$2.5 billion.

The Senate Appropriations Committee began to mark up their respective bills in early August, shortly after the House passed the seven-bill "minibus" FY22 appropriations package. However, timing remains unknown, as both chambers debate the budget resolution.

Agency Actions

Damon Smith Sworn in As General Counsel of HUD

On Thursday, August 12, Damon Smith was officially sworn in as General Counsel of House and Urban Development. The Senate unanimously confirmed Smith on August 11. Before joining HUD in 2021, General Counsel Smith served as Senior Director of Advocacy and Counsel at the Credit Union National Association.

Competitive Grants Update

All Applicable Transit Agencies and States Have Developed Public Transportation Agency Safety Plans

On Tuesday, August 10, the Federal Transit Administration announced that more than 700 transit agencies around the United States have certified that they now have safety plans to help keep riders and employees safe on their transit systems. These plans were due on July 20, following a 2018 Federal Transit Administration (FTA) rule, mandating all agencies that receive FTA's Urbanized Area Formula Grants to set safety performance targets in a Safety Plan that is certified every year.

Federal Transit Administration Announces Funding Opportunity for Passenger Ferries and Facilities

On Friday, August 6, the Federal Transit Administration announced the availability of up to \$38 million in competitive grant funds through a Notice of Funding Opportunity (NOFO) for FTA's Passenger Ferry Grant Program. The Passenger Ferry Grant Program provides funding to capital projects that allow eligible project sponsors to support existing passenger ferry services, establish new ferry services, and repair and modernize ferry boats, terminals, and related facilities and equipment.

HUD Awards Nearly \$95 Million to Protect Families from Lead and Other Home Health and Safety Hazards

On Thursday, August 26, The U.S. Department of Housing and Urban Development (HUD) awarded nearly \$95 million to 28 state and local government agencies in 19 states to protect children and families from lead-based paint and other home health hazards. HUD provides these grants through its [Lead Based Paint Hazard Reduction \(LBPHR\) Grant Program](#) to identify and clean up dangerous lead in low-income families' older homes. These grants also include more than \$12 million from HUD's Healthy Homes Supplemental funding to help communities with housing-related health and safety hazards in addition to lead-based paint hazards.

Click [here](#) to read the project-by-project summary of the programs awarded grants.

HUD Announces \$2.7 billion Funding Opportunity to Help People Experiencing Homelessness

On Wednesday, August 18, the U.S. Department of Housing and Urban Development (HUD) announced that it is making \$2.7 billion in FY 2021 Continuum of Care Program (CoC) competitive funding available to homeless services organizations across the country for supportive services and housing programs for people experiencing homelessness. The CoC is the largest source of federal grant housing programs serving people experiencing homelessness.

HUD Makes Over \$19 million Available to Fight Housing Discrimination

On Wednesday, July 21, the U.S. Department of Housing and Urban Development (HUD) announced that it is making \$19.4 million available to help HUD Fair Housing Initiatives (FHIP) agencies conduct activities that will address discriminatory housing practices related to the COVID-19 pandemic. The funds, which are provided through the America Rescue Plan Act, will allow private fair housing enforcement organizations to respond to fair housing inquiries and complaints, conduct fair housing testing, and implement education and outreach activities related to the pandemic. These funds may be used to expand housing enforcement services for underserved populations most in need of the services.

National Transportation News Roundup

- Is mass transit on the eve of an \$85 billion renaissance? [Fast Company](#)
- Transit Got Billions on Covid-19 Relief From Congress, but Deficits Still Loom. [Wall Street Journal](#)
- Biden's \$1.2 trillion infrastructure bill could take years to transform U.S. [Washington Post](#)
- Biden's infrastructure bill doubles down on bad housing policy. [The Hill](#)
- Federal program to cut bus emissions gets a Senate mandate: Some buses must pollute. [Washington Post](#)
- Transit access to jobs surged with SFMTA's May 2021 Muni changes. [Mass Transit](#)
- Biden's OPEC Plea Is Really Directed at Anxious Drivers. [Bloomberg](#)
- How sports arenas became the poster child of California's housing crisis. [The Mercury News](#)