

## Fresno Council of Governments Monthly State Legislative Report 3/1/2018

### [AB 65](#) ([Patterson R](#)) **Transportation bond debt service.**

**Current Text:** Amended: 1/3/2018 [html](#) [pdf](#)

**Introduced:** 12/13/2016

**Last Amend:** 1/3/2018

**Status:** 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was TRANS. on 1/19/2017)

**Location:** 1/13/2018-A. DEAD

Desk	Dead	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Current law requires loans of remaining weight fee revenues to the General Fund in any fiscal year to the extent the revenues are not needed for bond debt service purposes or to redeem or retire those bonds, with the loans to be repaid when the revenues are later needed for those bond debt service purposes. This bill would delete the requirement to loan any remaining weight fee revenues to the General Fund in a fiscal year in which all of the weight fee revenues are not needed for payment of debt service on general obligation bonds issued for transportation purposes, or to redeem or retire those bonds.

#### Position

### [AB 66](#) ([Patterson R](#)) **High-Speed Rail Authority: reports.**

**Current Text:** Introduced: 12/13/2016 [html](#) [pdf](#)

**Introduced:** 12/13/2016

**Status:** 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was TRANS. on 4/25/2017)

**Location:** 1/13/2018-A. DEAD

Desk	Dead	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would require the business plan of the High-Speed Rail Authority to identify projected financing costs for each segment or combination of segments of the high-speed rail system, if financing is proposed by the authority. The bill would require the authority to identify in the business plan and in another report any significant changes in scope for segments of the high-speed rail system identified in the previous version of each report and to provide an explanation of adjustments in cost and schedule attributable to the changes.

#### Position

### [AB 87](#) ([Ting D](#)) **Autonomous vehicles.**

**Current Text:** Amended: 1/3/2018 [html](#) [pdf](#)

**Introduced:** 1/5/2017

**Last Amend:** 1/3/2018

**Status:** 1/29/2018-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 1/29/2018-S. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would require the Department of Motor Vehicles to include in regulations it adopts relating to application requirements for the testing of autonomous vehicles on public roads without the presence of a driver inside the vehicle, a requirement that the manufacturer certify that the local authorities within the jurisdiction where the autonomous vehicle will be tested have been provided with a written notification, as specified, and a requirement that the manufacturer provide certain law enforcement agencies with a copy of a law enforcement interaction plan.

#### Position

**[AB 351](#) (Melendez R) Transportation funding.****Current Text:** Amended: 1/3/2018 [html](#) [pdf](#)**Introduced:** 2/8/2017**Last Amend:** 1/3/2018**Status:** 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was TRANS. on 2/21/2017)**Location:** 1/13/2018-A. DEAD

Desk	Dead	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Current law imposes weight fees on the registration of commercial motor vehicles and provides for the deposit of net weight fee revenues into the State Highway Account. Current law provides for the transfer of certain weight fee revenues from the State Highway Account to the Transportation Debt Service Fund to reimburse the General Fund for payment of debt service on general obligation bonds issued for transportation purposes. Current law also provides for the transfer of certain weight fee revenues to the transportation Bond Direct Payment Account for direct payment of debt service on designated bonds, which are defined to be certain transportation general obligation bonds issued pursuant to Proposition 1B of 2006. This bill would repeal these provisions, thereby retaining the weight fee revenues in the State Highway Account.

**Position****[AB 1324](#) (Gloria D) Transportation: local transportation authorities: transactions and use taxes.****Current Text:** Amended: 1/29/2018 [html](#) [pdf](#)**Introduced:** 2/17/2017**Last Amend:** 1/29/2018**Status:** 2/1/2018-Failed Deadline pursuant to Rule 61(b)(3). (Last location was THIRD READING on 1/16/2018)**Location:** 2/1/2018-A. DEAD

Desk	Policy	Fiscal	Dead	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Current law authorizes the establishment of a local transportation authority in any county and authorizes the authority, with a 2/3 vote of the authority and upon approval of 2/3 of the voters, to impose a retail transactions and use tax for specified transportation purposes if a county transportation expenditure plan is adopted. This bill would authorize an authority to impose a tax applicable to only a portion of its county if 2/3 of the voters voting on the measure within the portion of the county to which the tax would apply vote to approve the tax, as specified, and other requirements are met, including that the revenues derived from the tax be spent within, or for the benefit of, the portion of the county to which the tax would apply.

**Position****[AB 1363](#) (Baker R) Transportation revenues.****Current Text:** Amended: 1/3/2018 [html](#) [pdf](#)**Introduced:** 2/17/2017**Last Amend:** 1/3/2018**Status:** 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was TRANS. on 3/13/2017)**Location:** 1/13/2018-A. DEAD

Desk	Dead	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Current law requires certain miscellaneous revenues deposited in the State Highway Account that are not restricted as to expenditure by Article XIX of the California Constitution to be transferred to the Transportation Debt Service Fund in the State Transportation Fund, as specified, and requires the Controller to transfer from the fund to the General Fund an amount of those revenues necessary to offset the current year debt service made from the General Fund on

general obligation transportation bonds issued pursuant to Proposition 116 of 1990. This bill would, on July 1, 2019, delete the transfer of these miscellaneous revenues to the Transportation Debt Service Fund, thereby eliminating the offsetting transfer to the General Fund for debt service on general obligation transportation bonds issued pursuant to Proposition 116 of 1990.

**Position**

**[AB 1395](#) (Chu D) State highways: Department of Transportation: litter cleanup and abatement: report.**

**Current Text:** Amended: 1/22/2018 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 1/22/2018

**Status:** 1/29/2018-Read third time. Passed. Ordered to the Senate. In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 1/29/2018-S. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would require the Department of Transportation, within its maintenance programs relating to litter cleanup and abatement, to assign the highest priority to litter deposited along state highway segments that carry the highest traffic volumes and the segments found by the department to have the highest incidences of litter and to reallocate existing litter cleanup resources as necessary in order to implement this priority. The bill would also require the department, on or before January 1, 2020, to conduct an assessment of the problem of litter on state highways and to make a specified report to the Legislature on its findings.

**Position**

**[AB 1640](#) (Garcia, Eduardo D) Transportation funding: low-income communities.**

**Current Text:** Introduced: 2/17/2017 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Status:** 1/13/2018-Failed Deadline pursuant to Rule 61(b)(1). (Last location was TRANS. on 3/16/2017)

**Location:** 1/13/2018-A. DEAD

Desk	Dead	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would require, beginning January 1, 2020, each regional transportation improvement program to allocate a minimum of 25% of available funds to projects or programs that provide direct, meaningful, and assured benefits to low-income individuals who live in certain identified communities or to riders of transit service that connects low-income residents to critical amenities and services. The bill would require the Department of Transportation, in consultation with residents of low-income communities and specified state agencies, to adopt guidelines for this allocation no later than January 1, 2018.

**Position**

**[AB 1801](#) (Nazarian D) Newborns: cytomegalovirus public education and testing.**

**Current Text:** Introduced: 1/9/2018 [html](#) [pdf](#)

**Introduced:** 1/9/2018

**Status:** 1/22/2018-Referred to Com. on HEALTH.

**Location:** 1/22/2018-A. HEALTH

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would require the State Department of Health Care Services, in consultation with the State Department of Public Health, to establish and conduct a public education program to inform pregnant women and women who may become pregnant about cytomegalovirus (CMV) using information about specified items, including birth defects caused by congenital CMV and available preventive measures to avoid CMV infection of those women. The bill would require the State

Department of Health Care Services to make that information available on its Internet Web site and to provide the information to specified entities and individuals.

**Position**

**[AB 1905](#) ([Grayson D](#)) Environmental quality: judicial review: transportation projects.**

**Current Text:** Introduced: 1/22/2018 [html](#) [pdf](#)

**Introduced:** 1/22/2018

**Status:** 2/5/2018-Referred to Coms. on NAT. RES. and TRANS.

**Location:** 2/5/2018-A. NAT. RES.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would, in an action or proceeding seeking judicial review under the California Environmental Quality Act, prohibit a court from staying or enjoining a transportation project that is included in a sustainable communities strategy and for which an environmental impact report has been certified, unless the court makes specified findings.

**Position**

**[SB 100](#) ([De León D](#)) California Renewables Portfolio Standard Program: emissions of greenhouse gases.**

**Current Text:** Amended: 9/11/2017 [html](#) [pdf](#)

**Introduced:** 1/11/2017

**Last Amend:** 9/11/2017

**Status:** 9/11/2017-September 11 hearing postponed by committee. From committee with author's amendments. Read second time and amended. Re-referred to Com. on U. & E.

**Location:** 9/8/2017-A. U. & E.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** The Legislature has found and declared that its intent in implementing the California Renewables Portfolio Standard Program requires the PUC is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030. This bill would revise the above-described legislative findings and declarations to state that the goal of the program is to achieve that 50% renewable resources target by December 31, 2026, and to achieve a 60% target by December 31, 2030.

**Position**

**[SB 760](#) ([Wiener D](#)) Bikeways: design guides.**

**Current Text:** Amended: 1/23/2018 [html](#) [pdf](#)

**Introduced:** 2/17/2017

**Last Amend:** 1/23/2018

**Status:** 1/30/2018-In Assembly. Read first time. Held at Desk.

**Location:** 1/29/2018-A. DESK

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would authorize a city, county, regional, or other local agency, when using the alternative minimum safety design criteria, to consider additional design guides, including the Urban Street Design Guide of the National Association of City Transportation Officials. The bill would authorize a state entity that is responsible for the planning and construction of roadways to consider additional design guides, including the Urban Street Design Guide of the National Association of City Transportation Officials.

**Position**

**[SB 827](#) ([Wiener D](#)) Planning and zoning: transit-rich housing bonus.**

**Current Text:** Introduced: 1/3/2018 [html](#) [pdf](#)

**Introduced:** 1/3/2018**Status:** 1/16/2018-Referred to Coms. on T. & H. and GOV. & F.**Location:** 1/16/2018-S. T. & H.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would authorize a transit-rich housing project to receive a transit-rich housing bonus. The bill would define a transit-rich housing project as a residential development project the parcels of which are all within a 1/2 mile radius of a major transit stop or a 1/4 mile radius of a high-quality transit corridor, as those terms are further defined. This bill contains other related provisions and other existing laws.

**Position****SB 828** **(Wiener D) Land use: housing element.****Current Text:** Introduced: 1/3/2018 [html](#) [pdf](#)**Introduced:** 1/3/2018**Status:** 1/16/2018-Referred to Com. on RLS.**Location:** 1/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would state the intent of the Legislature to enact legislation that would, among other things, require the department to take certain actions relating to unmet housing needs, including completing a comprehensive assessment on unmet need for each region and including the results of the assessment in regional allocations for the next housing element cycle.

**Position****SB 829** **(Wiener D) Employee housing: farmworker housing.****Current Text:** Introduced: 1/3/2018 [html](#) [pdf](#)**Introduced:** 1/3/2018**Status:** 1/16/2018-Referred to Com. on RLS.**Location:** 1/3/2018-S. RLS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

**Summary:** Would state the intent of the Legislature to enact legislation that would expand the Employee Housing Act to (1) further incentivize the creation of farmworker housing in agricultural communities, (2) authorize the Department of Housing and Community Development to partner private agricultural operators with independent nonprofits that will manage and operate residences, and (3) preserve and protect the civil rights of tenants living in employee housing.

**Position****Total Measures: 15****Total Tracking Forms: 15**

**Jeaneen Cervantes**

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on behalf of Simon and Company <silvana.caldera@simoncompany.com>  
**Sent:** Monday, February 12, 2018 11:39 AM  
**To:** Trai Her-Cole  
**Subject:** Special Report on Transportation and Infrastructure - February 12, 2018

**SIMON AND COMPANY**

*Intergovernmental Relations and Federal Affairs*

## Special Report on Transportation and Infrastructure

February 12, 2018



## Legislative Outline for Rebuilding Infrastructure in America

The Administration has finally released their infrastructure plan, the [Legislative Outline](#)

[for Rebuilding Infrastructure in America](#). The package recommends \$200 billion in federal investment, designed to leverage \$1.5 trillion in total spending.

The platform is divided into five parts that contains policymaking subject to Congressional approval. Please see our detailed analysis below for a summary of the key components of the long-awaited plan. For more information, click on the [Full Legislative Outline](#), [Infrastructure Highlights](#), and [Infrastructure Factsheet](#).

### ***Part I: Funding and Financing***

The \$200 billion in federal funding available under this package would be broken down into the following five buckets:

- \$100 billion for **Infrastructure Incentives Program**;
- \$50 billion for **Rural Projects**;
- \$20 billion for **Transformative Projects Program**;
- \$20 billion to expand **federal loan programs** and **Private Activity Bonds (PABs)**;
- \$10 billion in a **capital financing fund for federal office buildings**.

1.) The first bucket of money, the ***Infrastructure Incentives Program***, is \$100 billion in federal funding for grants to support core infrastructure projects. The Administration proposes a nonfederal state, local, or private cost share requirement of 80 percent of total project costs to compete for this new federal investment that would account for at most 20 percent of the total project cost.

However, it is worth noting that the program administrators would provide a three-year look-back period in the application evaluation to provide applicants with additional consideration for recent actions to facilitate new revenue generation. The Administration suggests that eligible actions should have occurred within three years before the date of application to the program, and this determination would be made based on the implementation or effective date of that new revenue source. As mentioned, the Incentive Grant cannot exceed 20 percent of new revenue.

Eligible projects include: surface transportation; airports; passenger rail; maritime and inland waterway ports; flood control; water supply; hydropower; water resources;

drinking water facilities; storm water facilities; and Brownfield and Superfund sites. Any individual state could not receive more than 10% of the amount available.

The funds would be divided in specific amounts to be administered by the United States Department of Transportation (DOT), United States Army Corps of Engineers (USACE), and Environmental Protection Agency (EPA). Other Federal agencies seeking to incentivize eligible projects within their areas of jurisdiction could petition DOT, USACE, or EPA to transfer funding. Each lead Federal agency would determine the content, format, and timing of applications and would make Incentive awards. The Administration suggests solicitations for new projects would be made every six months.

2.) ***Rural Projects*** accounts for \$50 billion or 25% of the total \$200 billion package. The Rural Infrastructure Program would create a “rural formula” for Governors to administer 80 percent of that funding through formula block grants to States in support of eligible projects in areas with a population of less than 50,000 people. Governors would have discretion to prioritize individual investments in accordance with project eligibility and in consultation with a State Directors of Rural Development and a designated Federal agency. This money can be used for transportation, broadband, water and waste, power and electric, and water resources projects. The “rural formula” would be calculated using rural lane miles and rural population adjusted to reflect policy objectives. The Rural Infrastructure Program would also include a set-aside for a Tribal Transportation Program to be administered by the Secretary of Interior for distribution through grants or awards to Tribes. Each State would receive no less than a specified statutory minimum and no more than a specified statutory maximum of the Rural Infrastructure Program formula funds. The remaining 20 percent of funding would support Rural Performance Grants, which would require any State to create a comprehensive Rural Infrastructure Investment Plan (RIIP) within 180 days of receipt of rural formula funding to qualify and compete for the additional funding.

3.) The ***Transformative Projects Program*** would provide federal funding and technical assistance in support of innovative infrastructure projects that may be otherwise unable to secure financing through the private sector due to the uniqueness of the project. The Administration seeks to support exploratory, ground-breaking projects



that have more risk than standard infrastructure investments, but offer a larger reward profile.

The Department of Commerce would oversee the administration of the Transformative Projects Program. Eligible projects would provide net public benefit; be capable of generating revenue; and have a significant positive impact on the Nation, a region, State, or metropolitan area. Eligible infrastructure sectors would include: transportation, clean water, drinking water, energy, commercial space, and telecommunications.

Funding available through this program would be administered under three separate tracks:

- (1) Demonstration – federal funding may be used for up to 30 % of costs;
- (2) Project Planning – federal funding may be used for up to 50% of eligible costs;
- (3) Capitol Construction – federal funding may be used for up to 80% of eligible costs.

Applicants may apply for funding through all three tracks or individual tracks to support various phases of a project. In addition, project sponsors could seek technical assistance from the Federal government separately from or supplemental to the requested federal funding.

4.) The last proposal that may be of interest to local governments is the proposed \$20 billion in federal funding to expand *federal loan programs* and *Private Activity Bonds*.

The Administration recommends that \$6 billion should be made available for **Private Activity Bonds** while \$14 billion should be made available to expand existing credit programs: (1) **Transportation Infrastructure Finance and Innovation Act (TIFIA)**; (2) **Railroad Rehabilitation and Improvement Financing (RRIF)**; (3) **Water Infrastructure Finance and Innovation Act (WIFIA)**; and (4) **United States Department of Agriculture Rural Utilities Lending Programs**.

The White House seeks to broaden eligibility of projects that would qualify for credit

assistance under those programs. For example, TIFIA could provide credit assistance for construction, enhancement, and expansion projects at airports, ports, and non-Federal waterways. The proposal recommends an amendment to RRIF law to provide subsidies or incentives for short-line freight rail or passenger rail projects.

The Administration seeks to loosen requirements for Private Activity Bonds (PABs) and allow new project categories. It would modify eligibility for surface transportation, airports, ports, sewerage, and wastewater projects. New categories would be created for flood control and storm water facilities, rural broadband service facilities, and environmental remediation costs on Brownfield and Superfund sites.



### **Part 2: Additional Provisions for Infrastructure Improvement**

In addition to the funding and financing of new programs we just covered, the Administration also details specific policy recommendations that would lead to infrastructure improvements through targeted streamlining. While this is not a comprehensive list of all of the recommendations, some notable items include:

- **Transit:** require Value Capture Financing as condition of receipt of Transit Funds for Capital Investment Grants and codify expected project delivery for Capital Investment Grants Pilot Program.
- **Financing:** Provide States tolling flexibility; extend streamlined Passenger Facility Charge process from non-hub Airports to small hub airports; and expand Qualified Credit Assistance and other capabilities for State Infrastructure Banks;
- **Highways:** provide Small Highway Projects with relief for the same Federal Requirements as major projects;
- For **Rail** projects, the Administration recommends Apply FAST Act Streamlining Provisions to Rail Projects and Shorten the Statute of

Limitations.

This portion of the document also goes into great detail regarding **water infrastructure**, including financing, inland waterways, water programs, and water infrastructure resources. In addition, there are provisions which would allow the **Department of Veterans Affairs (VA)** to use the value of its existing assets through creating greater flexibility in its real property sales.

The last segment recommended for infrastructure improvements relates to **Brownfield/Superfund** reform. To do so, the Administration seeks to: (1) create a Superfund Revolving Loan Fund, related grant program, and authorize national priority sites for Brownfield grants; (2) provide liability relief for States and municipalities acquiring contaminated sites through actions as sovereign governments; (3) provide EPA express settlement authority to enter into Express Settlement Authority to enter into administrative agreements; and, (4) Integrate Cleanup.

### **Part 3: Infrastructure Permitting Improvement**

This part of the plan proposes significant changes to the federal environmental review process, targets existing environmental laws, creates two pilot programs, and makes changes to the judicial process around environmental litigation. The Administration would implement the “one agency, one decision” idea to streamline environmental reviews, as well as apply firm deadlines to NEPA requirements. It also proposes eliminating Section 309 of the **Clean Air Act**; makes specific interpretations of the **Clean Water Act** allowing for consolidation and elimination of certain permits; and undermines the **Magnuson Stevens Act**. Finally, the Administration proposes eliminating congressional authority to approve of natural gas pipelines and gives the authority to the Secretary of Interior.

### **Part 4: Workforce Development**

Finally, this proposal contains recommendations related to **education** and

**workforce development.** They propose to expand Pell Grant eligibility, reform career and technical education, reform the Federal Work Study program, and change licensing requirements for individuals seeking a job on an infrastructure project.

### ***In Conclusion***

In addition to the [Legislative Outline for Rebuilding Infrastructure in America](#), the Administration also released their [FY 2019 Budget Request](#) earlier today. We will provide coverage of this in this week's *Washington Friday Report*. Please let us know if you have any questions about the Legislative Outline or the FY 2019 Budget Request.

While these proposals contain many changes to current policy, some positive and some concerning depending on your perspective, it is ultimately up to Congress which programs will be funded and which policy recommendations will be implemented. Many topics touched on in the latter part of the transportation and infrastructure document contain sensitive policy topics, which means robust negotiations moving forward. *We will keep you informed as the congressional transportation committees begin their own review.*



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If you have any questions about this special report, please feel free to contact [Len Simon](#), [Jen Covino](#), or [Silvana Caldera](#).

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**From:** Simon and Company <silvana.caldera=simoncompany.com@mail3.atl31.mcdlv.net> on behalf of Simon and Company <silvana.caldera@simoncompany.com>  
**Sent:** Friday, February 16, 2018 1:45 PM  
**To:** Trai Her-Cole  
**Subject:** Washington Friday Report - February 16, 2018

*Washington Friday Report*

Volume XX, Issue 7

**SIMON AND COMPANY**  
*Intergovernmental Relations and Federal Affairs*

# Washington Friday Report

February 16, 2018

## *Inside this Issue...*

- Transportation and Infrastructure
- President's FY19 Budget Request
- FY18 Spending Deal
- Immigration
- Administration Additions: A FTA Administrator and Drug Czar
- Opportunity Zones
- Climate Mayors & Resiliency
- Hearings on the Hill

It is significant when even one really important event occurs in Washington in a week – but this week we had four of them. So with no delay, here's our update on the President's infrastructure plan, his FY19 budget proposal, more news on the FY18 budget caps deal, the consideration of DACA bills in the Senate and more. Have a great weekend!



## TOP STORIES



We wanted to follow up on our [Special Report](#) earlier this week which covered the Administration's infrastructure plan, the [Legislative Outline for Rebuilding Infrastructure in America](#). We also joined a call with the key officials from the White House and U.S. Department of Transportation who crafted the plan and provided a general overview.

**DJ Gribbin**, Special Advisor to the President on Infrastructure, spoke briefly on the call regarding objectives of their proposal. Special Advisor Gribbin said the proposal is aimed at addressing: (1) the underinvestment in infrastructure; and (2) the permitting process. He mentioned returning control to State governments; the emphasis on rural areas; the expansion of federal credit programs; the delegation to states on environmental review, including two pilot programs; and the solvency of the Highway Trust Fund.

While we recommend referring to our [Special Report](#) for further detail on each component on the package, we wanted to elaborate on some of these items and reemphasize key elements of the infrastructure plan, including caveats to the

proposed programs and policy changes. As you may recall, the package recommends \$200 billion in federal investment, designed to leverage \$1.5 trillion in total spending. The platform is divided into five parts that contains policymaking subject to Congressional approval.

Of the three programs highlighted in Part I of the proposal, the *Infrastructure Incentives Program* is the only one that proposes the 80/20 local federal match requirement. However, it does include a three-year look-back period, which is defined as the time preceding the project sponsor's completed application during which the new revenue generation was implemented. For *Rural Projects*, funding is limited to jurisdictions with populations of less than 50,000. For the *Transformative Projects Program*, only projects that are capable of generating revenue are eligible. In addition, should an applicant receive funds under the capital construction funding track, they would need to enter into a value sharing agreement with the federal government.

Some key elements of the proposal include but are not limited to, **broadening infrastructure financing and lending programs, streamlining of the National Environmental Policy Act (NEPA) environmental review process, and facilitating water resource infrastructure and Superfund/Brownfields cleanup and rehabilitation.** Some of the lending programs localities are familiar with, such as WIFIA, TIFIA, and RRIF, are expanded to include waterways, ports, airports, Brownfields, Superfunds, among others. The eligibility for Private Activity Bonds (pages 13–16 of the [plan](#)) is also expanded and barriers to use would be reduced.

As it pertains to the environment, the Administration would like to establish the “One Agency, One Decision” environmental review process and give lead agencies 21 months to complete their NEPA review. The plan also clarifies that **Metropolitan Planning Organizations** need only to conform to the most recent National Ambient Air Quality Standard. It proposes the establishment of two pilot programs (pages 43–49) to experiment with new ways to address environmental impact involving giving state and local stakeholders authority to design their own alternative performance standards and mitigation agreements.

For **transit** projects, the Administration proposes to require value capture financing as a condition of receipt of transit funds for **Capital Investment Grants** (excluding Small



Starts projects). They also seek to codify the Capital Investment Grants (CIG) Pilot Program and increase the federal share to 50 percent. However, it is important to note that the President's FY2019 budget (covered below) eliminates the CIG program, which contradicts the infrastructure proposal. Congress will likely reject its' proposed elimination and hopefully enact some of these strengthening provisions.

For more information on the infrastructure proposal, click on the [Full Legislative Outline](#), [Simon and Company Special Report](#), [Infrastructure Highlights](#), and [Infrastructure Factsheet](#).

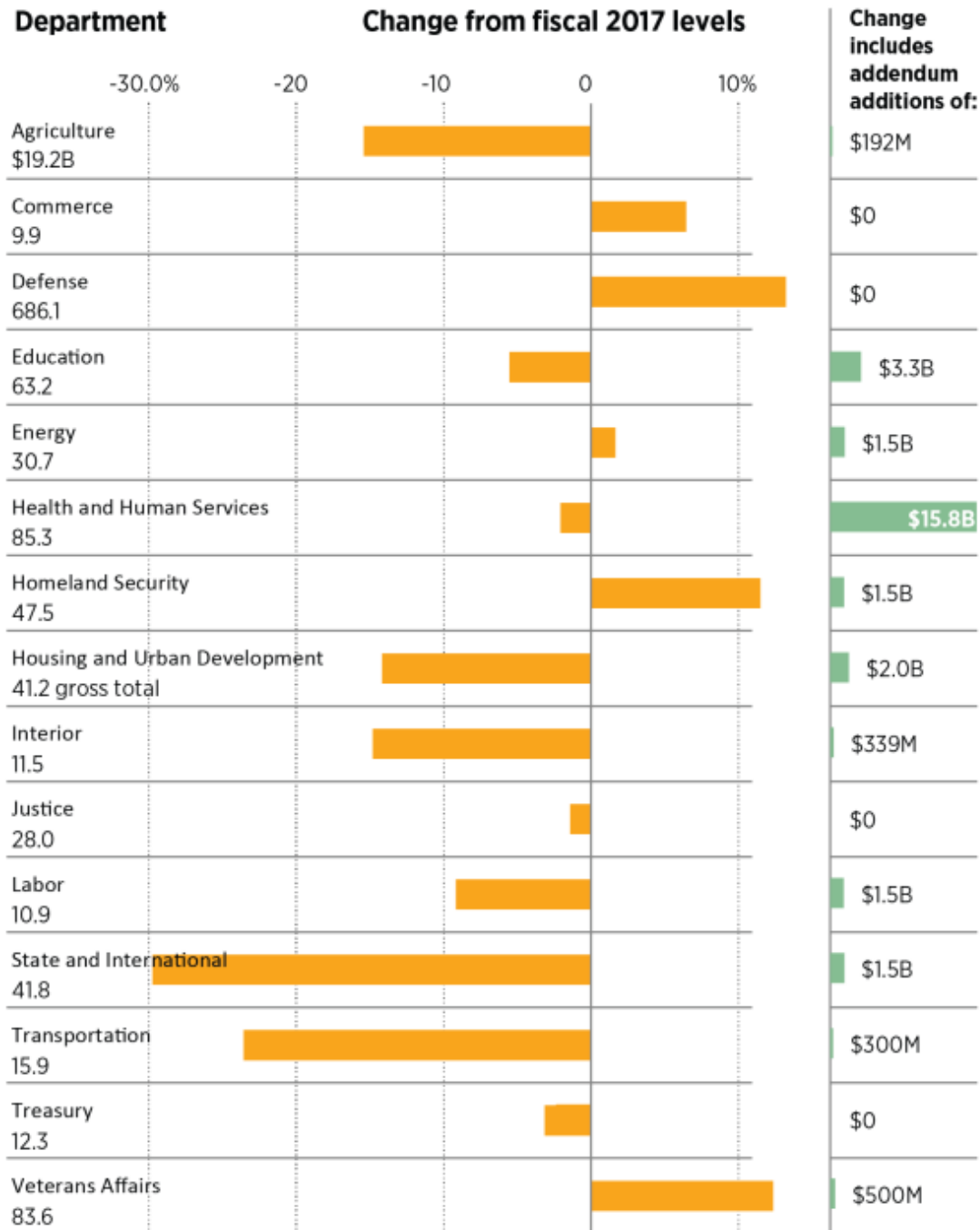
Finally, we wanted to highlight some barriers to enactment of this proposal as is – including the federal funding aspect. The President's FY2019 Budget request, which should be considered hand in hand with the infrastructure plan, makes drastic discretionary cuts, including to many existing transportation programs. The \$200 million federal investment is predicated on many of these cuts, which as we have seen in the past, have been largely dismissed by Congress. President Trump endorsed raising the gas tax this week – a proposal not fully embraced by others in his Administration and not popular in Congress.

Lawmakers in Congress have also already expressed concerns with components of the proposal – it is ultimately up to them what is enacted and the criteria for new programs. In fact, the Chairmen of both Transportation Committees in Congress, Senator **John Thune** and Rep. **Bill Shuster**, have objected to the *Infrastructure Incentives Program* criteria over various reasons. This further points to Congress perhaps adopting elements of the proposal, but uncertainty over what the final product will look like.

### **President's FY19 Budget Request**

The Administration released their [FY2019 Budget Request](#) on Monday – which is largely similar to their FY2018 request as far as cuts to discretionary programs important to localities. The Administration proposed a \$1.1 trillion discretionary spending budget. Courtesy of CQ, see the chart below for a comparison of proposed departmental changes from fiscal 2017 levels.

## Toplines: Trump Seeks Deep Cuts, Limited Increases



Note: Includes Overseas Contingency Operations funds. Does not include mandatory to discretionary changes in HHS, Justice or VA. Department totals may not be exact due to rounding.

Source: Office of Management and Budget  
Randy Leonard/CQ



To view individual agency budgets, you may click the following links: [EPA Budget](#), [Education Budget](#), [Energy Budget](#), [Labor Budget](#), [Interior Budget](#),

[Transportation Budget](#) and [Capital Investment Grant Recommendations](#), [Homeland Security Budget](#), [HHS Budget](#), [HUD Budget](#), [Justice Budget](#), and [VA Budget](#). See below for a general overview of key domestic program eliminations and reductions, and objectives of the budget.

### **Domestic Program Eliminations**

- Community Development Block Grant (CDBG);
- HOME Investment Partnership Program;
- HUD Choice Neighborhoods;
- HUD Veteran Affairs Supportive Housing (VASH);
- Public Housing Capital Fund;
- Community Services Block Grant (CSBG);
- 21<sup>ST</sup> Century Community Learning Centers;
- Promise Neighborhoods;
- Low Income Home Energy Assistance (LIHEAP);
- Economic Development Administration (EDA);
- Community Development Financial Institutions (CDFI) Grants;
- TIGER Grants;
- Community Trust/Justice Reinvestment; Smart Policing; Comprehensive School Safety; and State Criminal Alien Assistance Grants;
- National Endowment for the Arts (NEA);
- National Endowment for the Humanities;
- Institute of Museum and Library Services;
- Corporation for Public Broadcasting;
- Job Corps;
- Migrant and Season Farmworker Training Program.

### **Domestic Program Cuts**

- Transit Capital Investment Grants (CIG) – limits these discretionary grants to transit projects with full funding grant agreements, reducing overall funding from \$2.41 Billion in FY 2017 to its request of \$1 Billion;

- Amtrak – reduces funding by more than 50% to \$730 million;
- COPS Grants – reduces funding by 55% or \$99 million;
- Pre-Disaster Mitigation Grants – reduces by 61% to \$39 million;
- Emergency Management Performance Grants – reduces by 20% to \$279 million;
- Brownfields – reduces funding by \$18 million;
- Superfund – reduces funding by \$66 million.

### **Domestic Program Increases**

- Opioid Abuse Prevention Efforts – requests \$10 billion;
- Project Safe Neighborhoods Block Grants – requests \$140 million;
- School-Based Opioid Abuse Prevention Strategies – requests \$43 million;
- STEM Education – requests \$200 million in new grant funding;
- School Choice – requests to double investment in school choice and boost funding for a new Opportunity Grants program to \$1 billion;
- Charter Schools – requests \$500 million or a 50% increase.

Overall, this budget largely reflects the Administration’s priorities, which includes reduced domestic program and entitlement spending to fund infrastructure, homeland security, and defense. Other priorities reflected include water and wastewater investment, immigration enforcement, and sanctuary cities. The budget proposes \$1.6 billion for the border wall and more money for other immigration enforcement activities.

As we saw on the Senate floor this week through the immigration amendment process (more on that below), some lawmakers and the Administration would like to expand the definition of U.S.C. 1373 with the goal of defunding “sanctuary” cities. The expanded definition would essentially codify the Administration’s sanctuary city grant requirements that they claim so many cities have violated. The expanded definition would require localities to provide detailed information on any individual in custody or suspected of a violation if that information is “relevant to the enforcement of the immigration laws,” and require localities to detain such individuals for up to 48 hours and notify DHS.

Finally, the budget makes various entitlement cuts and reforms, targeting Supplemental Nutrition Assistance Program (SNAP), Medicaid, Temporary Assistance for Needy Families (TANF), and the Affordable Care Act. The Administration proposes cutting Medicaid by at least \$306 billion over 10 years and rolling back Obamacare and replacing it with state block grants and a per capita funding structure. TANF would be cut by \$1.6 billion over a few years and SNAP by \$213 billion over 10 years. *We will keep you posted as Congress begins to craft their FY2018 and FY2019 budgets.*



### FY18 Spending Deal

We wanted to follow up on our [report](#) detailing the agreement for new spending caps ([The Bipartisan Budget Act of 2018](#)) for FY2018 and FY2019 reached by Congress last week. As a result of the deal, the Administration is asking Congress to spend \$88 billion more on nondefense discretionary programs in fiscal 2018 than the administration initially asked for last year. This [document](#), courtesy of CQ, lists their additional requests in federal agency spending.

In their FY2018 budget addendum, the Administration asks Congress for federal funding needed for their infrastructure package (page 4). While they write that they “look forward to working with congress” to come up with the \$200 billion in future legislation, they make an initial request of \$16 billion for FY18. They request \$11 billion for the incentives program and \$5 billion for the rural program – both listed in

Part I of their infrastructure proposal.

There are also some other elements of the deal that we wanted to flag. The deal creates a new \$100 million fund for Pay for Success and a new approach to foster care, allowing states to use federal funds for evidence-based preventative services. It also reauthorizes the Maternal Infant and Early Childhood Home Visiting (MIECHV) program. Finally, it provides an additional \$182 million for the 2020 Census. *We'll follow-up on these new grant opportunities as they become available.*

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## OTHER NEWS AND GRANTS

### Immigration

It was tumultuous week in the Senate, where Leader **Mitch McConnell** kicked off an open legislative process allowing for consideration of numerous immigration amendments and proposals on the Senate floor. The process – not one taken often in the Senate – allowed for any Senator the opportunity to introduce a legislative measure on immigration after they get a majority of votes on a motion to proceed and then 60 votes on the final measure for passage. No measure introduced achieved the required 60 votes to limit debate and proceed to actual consideration. In other words, they were filibustered.

While theoretically this process allows the chamber to quickly consider numerous proposals on the same issue, it also created chaos and pressure related to coalition building around a single solution. For an issue as sensitive and complicated as immigration, which our last few Presidents and Congresses have been unable to successfully address, this process seemed doomed from the start. It also forced many Senators to take tough votes on issues not directly related to DACA, such as sanctuary cities. There was pushback after Leader McConnell proposed consideration of a sanctuary cities amendment at the very beginning of the process.

Three major immigration measures were considered this week and failed to get the 60 votes needed to cut off a filibuster, a motion known as cloture. Two bipartisan proposals that included DACA and border security failed, as well as a measure the most closely resembled the President's priorities. That measure received the least votes – just 39 votes in favor – the two bipartisan measures received 52 votes and 54 votes. Senator **Lindsey Graham** commented on the little support demonstrated for the bill containing the President's priorities and said, *"The White House's position and from DHS were just really over the top. The president has the ability to lead on this issue. He's got to take the reins back from the people in the White House who can never get to yes."* This reflects many sentiments expressed from Senators, including many Republicans, who believe the White House is hindering true bipartisan negotiations.



### Administration Additions: A FTA Administrator and Drug Czar

The White House [announced](#) this week that it intends to nominate former Virginia GOP Rep. **Thelma Drake** to be FTA administrator – a pick that's long been expected. She also served as former director of the Virginia Department of Rail and Public Transportation (DRPT).

The Administration also intends to make current Deputy Chief of Staff Chief **Jim Carroll** the new lead of the Office of National Drug Control Policy. As you may recall, we [reported](#) on the President's withdrawal of his first nomination for **Tom Marino** following troubling a "60 Minutes" report late last year. [Here](#) are some

additional intended Administration nominations.

## Opportunity Zones

We joined a call hosted by the U.S. Conference of Mayors on Opportunity Zones this week, where we heard from Mayor **Steve Benjamin**, Mayor **Greg Fischer**, and representatives from the Economic Innovation Group (EIG). We learned more about the attributes of the program and wanted to share some key resources as the **April 20<sup>th</sup> deadline** for zone designation of by State Governors approaches. For more information, click [Simon and Company Report](#), [Treasury Guidance](#), and [EIG Guidance](#).



Recently, we sent many of you grant notices on the [FRA Consolidated Rail Infrastructure and Safety Improvements \(CRISI\) Grant Program](#) and the [CNCS 2018 AmeriCorps State and National Grants \(Targeted Priorities\)](#).

*Please contact Jen Covino with any questions about grants.*



## Climate Mayors & Resiliency

The Climate Mayors are set to submit their mayoral letter on the Clean Power Plan –



which many of you signed – next Tuesday. They would like it to coincide with the first Clean Power Plan listening session taking place next Wednesday. A total of 225 mayors signed on to the letter from 43 states and Puerto Rico, representing 49 million Americans. If you would like to do any press around the submission of the letter, feel free to contact [info@climate-mayors.org](mailto:info@climate-mayors.org).

We also wanted to provide the link for the [Buildings that Rebound: Resiliency Strategies for Commercial Buildings and Communities Webinar](#). You can find additional resources and opportunities by clicking [Better Buildings Solution Center](#).

## Hearings on the Hill

The House Natural Resources Committee held a [hearing](#) on water and power infrastructure this week. You can read background on the hearing [here](#).

If you have any questions about this edition of the *Washington Friday Report*, please feel free to contact [Silvana Caldera](#) or [Len Simon](#).

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Washington Friday Report

Volume XX, Issue 8

**SIMON AND COMPANY**  
*Intergovernmental Relations and Federal Affairs*

# Washington Friday Report

February 23, 2018

## *Inside this Issue...*

- Gun Control Debate Sweeps the Nation
- President's Economic Report
- SNAP
- Transportation Appropriations
- Bloomberg Philanthropies Public Arts Challenge
- Climate Mayors
- Opioid Crisis Hearing
- Uber and Infrastructure Funding

*This was a sad week, dominated by the horrifying slaughter in Parkland, Florida. However, the courage and articulate voices of the student and faculty survivors, and some movement on key issues in connection with guns among leaders in Washington, has provided perhaps some hope. Here's our summary on the aftermath of Parkland and a few other important developments this week for your review.*



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## TOP STORIES



### Gun Control Debate Sweeps the Nation

Led by the courageous victims in Parkland, FL, the nation has been overwhelmed with a renewed focus on the gun control debate. Students have led walkouts around the nation, visited their State capitols, joined a [listening session](#) hosted by the President at the White House, participated in a [CNN Town Hall](#) on the Parkland shooting, and more. While this is the 18<sup>th</sup> school shooting just this year, the events and actions of this week could represent a turn in the ongoing gun control debate.

There have been many ideas floating around as to how to better address mass shootings and gun violence. Some focal points include: banning bump stocks, instituting a minimum age for purchasing assault rifles, strengthening mental health services, expanding background checks, implementing school security measures, and arming school representatives and/or teachers. [Senator Bill Nelson](#), [Senator Marco Rubio](#), and [Congressman Ted Deutch](#) - the representative for Parkland, FL - have mentioned the following two bills in Congress: The STOP School Violence Act of 2018 ([H.R. 4909](#)) and Assault Weapons Ban of 2017 ([S.2095](#)). We shall see if there is any movement on these bills or any other related legislation when Congress returns next

week.

The President also ordered Attorney General **Jeff Sessions** to expedite the [Department of Justice's review](#) of whether bump stocks should be prohibited. The President, Senator Rubio, and other Republicans have voiced their support for the proposed ban. Raising the age limit for purchasing assault rifles is another measure some Republicans were willing to consider. Just this morning, Florida Governor **Rick Scott** announced he supports raising the minimum age to buy firearms to 21. While the President has been vocal about the role of mental illness and spoken about arming “heavily trained” teachers, the Administration maintains that this is still the “listening stage” and more concrete policy recommendations should be forthcoming soon. *We will keep you posted as the debate continues.*

Last, we wanted to let you know about [Mayors Against Illegal Guns](#), which welcomes the partnership of mayors in their efforts to promote common-sense laws to address gun violence and create safe communities in cities nationwide. The coalition consists of more than 1,000 current and former mayors. You can find a link to their Statement of Principles [here](#). *We would be glad to follow up with Mayors Against Illegal Guns directly if you are interested in joining.*

## President's Economic Report

The White House [released](#) the [Economic Report of the President](#) this week – an annual report put together by the [White House Council of Economic Advisors \(CEA\)](#). The CEA projects that economic growth will increase to 3.1 percent in 2018, remaining above 3 percent through 2020 and adding a cumulative \$1.1 trillion to the economy. The report focuses on the anticipated economic results of the recent tax reform law; the reduction of “red tape” taking place under this Administration; a \$1.5 trillion investment in infrastructure; and modified trade, healthcare, and cyber security policies.

Chapter four of the report, *Infrastructure Investment to Boost Productivity*, provides a few recommendations to improve infrastructure investment (pages 159–163). We wanted to flag two of the CEA's recommendations to boost

investment: (1) an emphasized role of user fees/charges that are set by State and local governments, and (2) expanding the role of competitive grant programs – they specifically mention the Department of Transportation’s Infrastructure for Rebuilding America (INFRA) grant program. You can read a summary of the CEA report [here](#).

## OTHER NEWS AND GRANTS

### SNAP

The Administration has issued an advanced notice of proposed rulemaking related to Supplemental Nutrition Assistance Program (SNAP) eligibility. They are proposing to limit the amount of time “able-bodied” people without dependents can receive Supplemental Nutrition Assistance Program (SNAP) benefits to 3 months a year unless the person is working full or part-time. However, there will be exceptions related to age, unfitness for work, or having a dependent child. Public comments on the proposal are due by **April 9, 2018**. You can read the full notice [here](#).



### Transportation Appropriations

As appropriations season on the Hill begins – the time of year when constituencies make their priorities known to their representatives in Congress as they craft their various appropriations bills – a few transportation related policies have been highlighted. A group of more than 1,000 local government

officials signed a [letter](#) opposing increasing truck size and weight limits. They argue that longer, heavier trucks would cause further damage to local roads and infrastructure already in disrepair. The House Transportation and Infrastructure Committee also held a [hearing](#) on Positive Train Control (PTC) this week, with the goal of receiving a status update on PTC implementation and examining challenges moving forward.

### **Bloomberg Philanthropies Public Arts Challenge**

Bloomberg Philanthropies is launching its 2018 Public Art Challenge, which encourages mayors to partner with artists, elevating the value of including the creative sector when developing solutions to significant urban issues. The program supports temporary public art projects that celebrate creativity, enhance urban identity, encourage public-private collaborations, and strengthen local economies. U.S. cities with 30,000 residents or more are eligible to submit proposals for projects that demonstrate close partnership between artists, arts organizations and city government. At least three cities will be selected to receive up to \$1 million each over two years. You can learn more [here](#).



In light of the Climate Mayors submitting their [letter](#) on the Clean Power Plan, we wanted to highlight some ways mayors can amplify the message. Engagement on social media is one way – Climate Mayors will circulate an infographic on this topic soon. Press releases issued by the city and speaking with the national media are other options. *Please let us know if you would like sample tweets, Facebook posts, press*

*releases, or talking points to pursue any of these alternatives.*

## Opioid Crisis Hearing

The House Education and Workforce Committee held a [hearing](#) on the opioid crisis this week, with a particular focus on workforce implications. Committee members heard about the economic impact the opioid problem is having on the economy as a whole, as well as how businesses large and small are seeing the effects of the epidemic. You can read more about the hearing [here](#).



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*Please contact Jen Covino with any questions about grants.*

## Uber and Infrastructure Funding

We thought you might be interested in a *New York Times* article detailing how certain jurisdictions are taxing Uber to pay for road repairs, subway upgrades, and even schools. The article states, in part, *“As ride-hailing services become a dominant force across the country, they have increased congestion, threatened taxi industries and posed political and legal challenges for cities and states struggling to regulate the high-tech newcomers. But they are also proving to be an unexpected boon for municipalities that are increasingly latching onto their success — and being rewarded with millions in revenue to pay not only for transportation and infrastructure needs, but also a host of programs and services that have nothing to do with the ride-hailing apps.”* You can read the full article [here](#).



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If you have any questions about this edition of the *Washington Friday Report*, please feel free to contact [Silvana Caldera](#) or [Len Simon](#).

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