

## **Support Material Agenda Item No. 4**

### **Board of Directors Metro Valley Study Session**

**June 15, 2017**

**9:30 a.m.**

Location:

San Bernardino County Transportation Authority  
First Floor Lobby  
1170 W. 3<sup>rd</sup> Street, San Bernardino, CA


## **Discussion Calendar**

### **Discussion - Administrative Matters**

#### **4. State & Federal Legislative Updates**

That the Metro Valley Study Session receive and file state and federal legislative updates from state advocate Gonzalez, Quintana, Hunter & Cruz (GQHC) and federal advocate Holland & Knight (H&K).

**The Powerpoint presentation is attached**



# San Bernardino County Transportation Authority

June 2017

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Holland & Knight

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## KEY DATES

- » **May 2017:**
  - House Passage of American Health Care Act (AHCA)
  - FY 2017 Omnibus Appropriations Passes
  - President's FY 2018 Budget Released
- » **June/July 2017:**
  - Senate Considers Health Care Legislation
  - FY 2018 Budget Negotiations and Appropriations Mark-ups
  - Tax Reform Proposal Expected
- » **September 2017:**
  - Flood Insurance Expires
  - FDA User Fees Expire
- CHIP Expires
- FAA Expires
- Medicare "Extenders" Expire
- AFG & SAFER Grant Programs Expire
- FY 2018 Appropriations Finalized or CR needed
- Debt Ceiling Extension Legislation Considered
- » **October 2017:**
  - New Fiscal Year (FY 2018) Begins
  - Infrastructure Package Anticipated in 3<sup>rd</sup> Quarter

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2

## FY 2017 OMNIBUS BILL

### » Department of Transportation:

- \$19.3 billion (an increase of \$681 million from FY 2016)
- *Highways*: \$43.266 billion, FAST Act authorized level
  - FASTLANE: \$850 million
- *Capital Investment Grants (New Starts/Small Starts)*: \$2.53 billion (an increase of \$353 million from FY 2016) including \$1.5 billion for full funding grant agreements (FFGAs)

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3

## FY 2017 OMNIBUS BILL (Cont.)

### » Department of Transportation (Cont.):

- *TIGER Grants*:
  - \$500 million (same as FY 2016)
  - The maximum share of total annual grants that can go to TIGER projects in any one state drops from 20 percent to 10 percent
  - \$5 million minimum to \$25 million max for project awards; no planning awards

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4

## FY 2017 OMNIBUS BILL (Cont.)

### » Ozone Language:

- *"Concerns remain about potentially overlapping implementation schedules related to the 2008 and 2015 standards for ground-level ozone. Because the Agency [EPA] did not publish implementing regulations for the 2008 standard of 75 parts per billion [ppb] until February 2015, and then revised the standard to 70 ppb in October 2015, States now face the prospect of implementing two national ambient air quality standards for ozone simultaneously. It is likely that, based on Agency data, a number of counties will be in non-attainment with both the 2008 standard and the 2015 standard. Additionally, Agency data suggests that a number of marginal non-attainment counties will meet the 2015 standard by 2025 due to other air regulations. In an effort to find the most sensible path to reduce ground level ozone, some flexibility must be granted to States that face the burden of implementing these potentially overlapping standards. Within 90 days of the date of enactment of this Act, the Agency is directed to provide the Committees with a report examining the potential for administrative options to enable States to enter into cooperative agreements with the Agency that provide regulatory relief and meaningfully clean up the air."*

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5

## 2018 BUDGET PROPOSAL (Cont.)

### » Department of Transportation:

- \$16.3 billion (a \$2.4 billion decrease from FY 2017 levels)
- *TIGER Grants*: Proposes eliminating funding
- *Highway Funding*: \$44 billion, FAST Act authorized level
  - FASTLANE: \$900 million
- *Capital Investment Grant Program (New Starts/Small Starts)*: \$1.232 billion (a \$1.3 billion decrease from FY 2017)
  - Limits funding (\$1.007 billion) to projects with existing FFGAs

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6

## FY 2018 APPROPRIATIONS

- » Some committees have begun marking up FY 2018 appropriations bills such as Military Construction-VA.
- » House Republicans plan to bundle all 12 appropriations bills in an omnibus and pass it before August recess. The bill will likely stall in the Senate.
- » This week, Senate Majority Leader McConnell said that the Senate Appropriations Committee will use FY 2017 current spending levels to write the FY 2018 bills
- » If lawmakers cannot agree on a spending package, they may default to a CR for FY 2018.
- » The debt limit also needs to be raised before August recess.

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7

## INFRASTRUCTURE PACKAGE

- » The President's budget request includes \$200 billion in outlays over a decade to incentivize state, local, and private-sector financing.
- » **Outlines principles for the infrastructure initiative:**
  - Make Targeted Federal Investments
  - Encourage Self-Help
  - Align Infrastructure Investment with Entities Best Suited to Provide Sustained and Efficient Investment
  - Leverage the Private Sector

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8

## INFRASTRUCTURE PACKAGE (Cont.)

### » **Outlines Transportation Proposals:**

- Tolling on Interstates
- Expand TIFIA
- Expand Private Activity Bonds

### » **Congress:**

- Senate EPW and House T&I Committees are working on drafting infrastructure legislation, which would include increased funding for FAST Act authorized programs funding levels; incentives for public private partnerships (PPPs); and environmental streamlining to expedite highway and transit projects.

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9

## FAA Authorization

- » House T&I Committee is expected to mark up FAA Reauthorization on June 27, and the Senate Commerce expected to hold its mark up on June 28.
- » Still no agreement on privatizing Air Traffic Control reform proposal.
- » Rep. Napolitano submitted the aviation fuel sales tax amendment to House T&I Committee Chairman Shuster for inclusion in the FAA bill, and she is actively working to secure a Republican co-sponsor.
  - The amendment overturns the 2014 FAA rulemaking, reestablishes congressional intent, and returns to 29 years of federal precedent that general sales taxes as applied to aviation fuel are not subject to the same limitations as excise taxes on aviation fuel.

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10