



FEDERAL UPDATE & OUTLOOK

INTERGOVERNMENTAL RELATIONS OFFICE

BRIE L. FRANCO

FEBRUARY 7, 2017

Federal Lobby Team

Capital Edge

Boothe Transit Consulting

FEDERAL LOBBY TEAM BRIEFINGS

FEBRUARY 6 & 7, 2017

| | | |
|---------------------|---------------------|--|
| Monday, February 6 | 9:00 – 10:00 am | Public Safety |
| | 10:00 – 11:00 am | Development Services |
| | 11:00 am – 12:00 pm | Community Services |
| | 12:00 – 1:00 pm | CMO |
| | 1:00 – 2:00 pm | Support Services |
| | 2:00 – 3:00 pm | Infrastructure Services |
| | 3:00 – 4:00 pm | Financial Services |
| | 4:00 – 5:00 pm | Administrative Services |
| Tuesday, February 7 | 10:00 am | Council Work Session: Lobby Team Briefing to Council |

LEGISLATIVE PRIORITIES FOR THE FEDERAL AGENDA

Municipal Bonds:
Keeping the
tax exemption

Public Safety:

- Increased funding for Homeland Security and UASI
- Gun Control
- Sanctuary Cities

**Housing and
Community
Development:**
CDBG & Low-Income
Housing Tax Credits

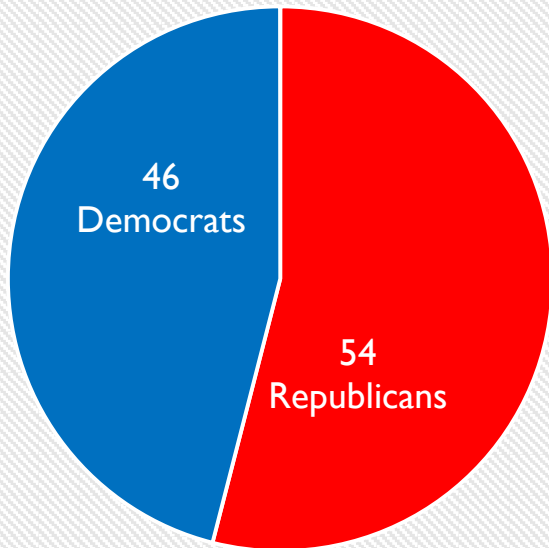
Transportation:
Surface & Aviation
funding and grants

Telecommunications:
Preserving Ability to
Manage Rights-of-way

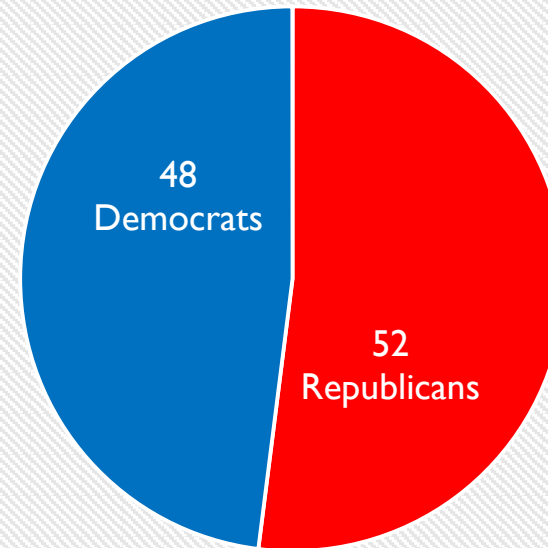
Public Health:
Increased funding and
expansion of services

2016 ELECTIONS - SENATE

Senate - 114th Congress

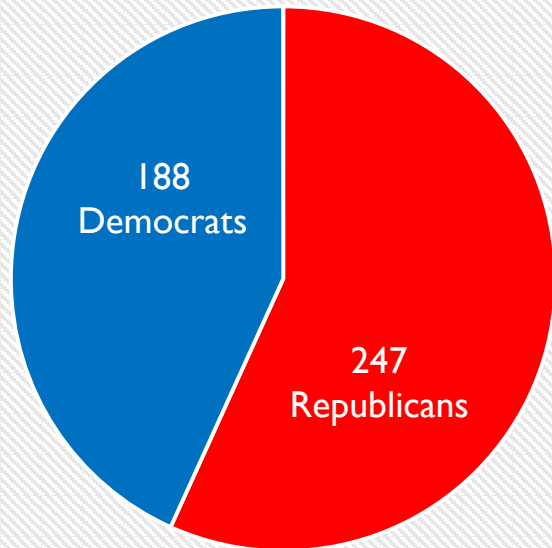


Senate - 115th Congress

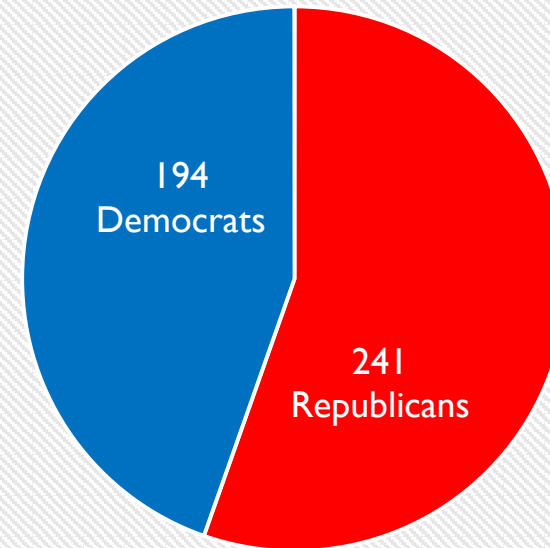


2016 ELECTIONS - HOUSE

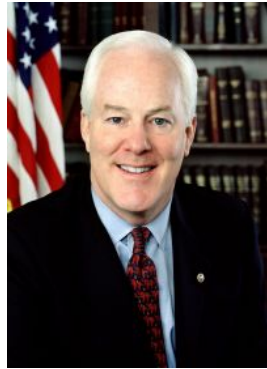
House - 114th Congress



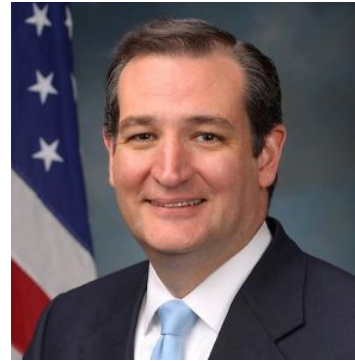
House - 115th Congress



AUSTIN AREA FEDERAL DELEGATION



John Cornyn



Ted Cruz



Michael McCaul (R-TX10)



Bill Flores (R-TX17)



Lamar Smith (R-TX21)



Roger Williams (TX-25)



John Carter (TX-31)



Lloyd Doggett (TX-35)

A LOOK AHEAD TO 2018

Looking ahead to the 2018 mid-term elections, 33 Senate seats will be contested:

- 8 Senate seats held by Republicans
- 25 Senate seats held by Democrats

One Republican, Senator Dean Heller of Nevada (47.9% Clinton), will be running for reelection in a state won by Hillary Clinton.

10 Democrats will be running for reelection in states won by President Trump:

- Tammy Baldwin (Wisconsin – Trump 47.9%)
- Sherrod Brown (Ohio – Trump 52.1%)
- Bob Casey (Pennsylvania – Trump 48.8%)
- Joe Donnelly (Indiana – Trump 57.2%)
- Heidi Heitkamp (North Dakota – Trump 64.1%)
- Joe Manchin (West Virginia – Trump 68.7%)
- Claire McCaskill (Missouri – Trump 57.1%)
- Bill Nelson (Florida – Trump 49.1%)
- Debbie Stabenow (Michigan – Trump 47.6%)
- Jon Tester (Montana – Trump 56.5%)

115TH CONGRESS, 1ST SESSION: KEY ISSUES

- Budget
 - Sequestration is back for FY 2018 and the Administration is reportedly preparing an austere budget proposal, putting pressure on all discretionary spending, especially core local government programs
- Tax
 - Comprehensive tax reform may have momentum; for cities, tax exemption for municipal bonds is a key issue
- Infrastructure
 - Major infrastructure investment package?
 - Aviation reauthorization
 - National Flood Insurance Program reauthorization
- Local Control
 - Telecommunications: ROW & zoning
 - Sales tax fairness
- Immigration (Sanctuary Cities)
- Public Safety
 - Criminal justice reform
 - Grant funding
- Regulations
 - President Trump and congressional Republicans have promised to undo most of President Obama's regulatory agenda. Major issues include clean air, clean water, fair housing, and workplace issues.

THE AGENDA FOR THE 'FIRST 100 DAYS' (AND BEYOND)

Priority items, in descending order of agreement (and likelihood of enactment) between the new Administration and Congress include:

- Repeal (and replace or repair?) the Affordable Care Act
- Tax Reform
- Immigration (Sanctuary Cities)
- Discretionary spending
 - Eliminate sequester cap for Defense
 - Increase domestic security spending (immigration and border security)
 - Implement Heritage Foundation/Republican Study Committee budgets that call for major cuts to non-Defense discretionary spending, including eliminating numerous agencies and programs

BOTTOM LINE – WHAT IT COULD MEAN FOR CITIES

- ***Preserving the tax exemption for municipal bonds*** will be a priority challenge for local governments.
- ***Preserving funding for core local government programs*** will be the second biggest challenge for local governments.
- ***The repeal of the Affordable Care Act, entitlement reform, and cuts to other social service programs*** could create long-term challenges for local budgets.
- Local governments will have to closely track ***regulatory reform***, keeping an especially close eye on the FCC.

TRANSPORTATION FUNDING

- Expect FY 2016 Funding through FY 2017
- FY 2018 - Fasten Your Seatbelts!!
 - Rumor: President Trump will seek \$10 trillion in reductions over the next ten years
 - Rumor: Phase out federal transit funding and eliminate Capital Investment Grants

CHAO-LED DOT

- Favors Outcome-Based Rulemaking
- TIGER - continued support for program but not clear on what projects will be eligible
- Autonomous Vehicles (AVs), Drones, Emerging Technology
 - Catalyst for Implementation
 - Work with public and private parties
 - Deferred on how she would define Federal, State and local roles on regulating AVs, Vehicle-to-Vehicle (V2V) and Vehicle-to-Infrastructure (V2I) technology and policies



TRUMP INFRASTRUCTURE PLAN

- Includes aviation, ports, schools, power grid, highways and bridges - transit is never mentioned
- Forming “Infrastructure Council”
 - Known members include Secretary Chao and NYC developers
 - Floated a set of projects in December 2016 totaling \$137.5 B
- Potential Elements
 - Repatriation of foreign assets held overseas with reduced tax rate
 - Infrastructure Bank that would select projects to be built
 - Expanded financing and tax credits for private sector investment

TRUMP INFRASTRUCTURE PLAN (CONTINUED)

- Discretionary funding is part of the plan
 - House Speaker Ryan - each dollar of discretionary funding must be matched by \$40 of private sector financing
- Overcome Congressional Republican reticence to support American Recovery and Reinvestment Act (ARRA) II

TRANSPORTATION POLICY ISSUES FOR CITY

- Smart Cities - does it survive?
- Support for AVs but local impacts on land use, parking, and economic development omitted from discussion.

QUESTIONS & COMMENTS



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