

## **Memorandum**

From: Capitol Transportation Consulting and Pavluchuk & Associates  
To: James Corless, Executive Director  
Date: May 24, 2024  
Subject: Federal Policy Monthly Report

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### **May Advocacy Activities**

In May, we focused our efforts on three primary goals:

- Support for the regional Climate Pollution Reduction Grant (CPRG) Program
- Fiscal Year 2025 Appropriation Process
- Preparing for the Reauthorization of the Infrastructure, Investment, and Jobs Act (IIJA)

#### **Climate Pollution Reduction Grant Program**

In April, the Sacramento Air Quality District (SacAQMD) submitted a regional application for the EPA's CPRG program. The funding request includes more than \$75 million in programs and projects that would improve air quality and reduce carbon reduction. Included in the request was substantial funding for the implementation of Green Means Go.

In May, we helped to coordinate advocacy and support for the regional application. In addition to working with the Congressional delegation to support the project, we worked with SACOG staff and SacAQMD staff to develop a comprehensive chorus of support that includes environmental groups, labor, equity champions, and other supporters who have and will be weighing in with EPA to support our grant request.

Additional work will continue on this effort throughout the summer.

#### **FY 2025 Appropriations**

With Congress finishing the FY 2024 appropriation process in March, the FY 2025 process was delayed by several months. In May, we worked to make sure that the regional delegation was aware and supported our funding requests for FY 25 which includes the numerous funding programs authorized by IIJA as well as the Inflation Reduction Act (IRA). In particular, we worked to develop support for increasing funding for the Pathways to Removing Obstacles to Housing (PRO Housing) program with additional language that would encourage U.S. Department of Housing and Urban Development (HUD) to provide grants for regional efforts.

The House has issued their FY 2025 budget numbers for each subcommittee, and they honor the agreement made last year during debt ceiling negotiations. In short, the FY 2025 funding bill will be roughly the same size as the FY 2024 final budget. There will be some room for increases. With Congress on an abbreviated schedule due to the 2024 elections, it is unclear when and if this Congress will complete the FY 2025 budget process. The House will spend much of June acting on

individual pieces of appropriation legislation. The House Appropriations Committee is expected to take on the transportation FY 2025 budget at the end of June.

### **Preparing for the Reauthorization of IIJA**

Time seems to fly when funding is flowing. We are roughly two-years away from the end of the IIJA authorization which means that it is time to begin thinking about reauthorization. There are several key questions that must be addressed:

- **Are we reauthorizing IIJA or just the transportation sections** – IIJA included all sorts of infrastructure, bringing the cost to over one trillion dollars. There will certainly be calls for all aspects of IIJA to be reauthorized; but paying for that investment in this political and economic environment will be tough. It is likely that ‘reauthorization’ will focus primarily on surface transportation – which is what has traditionally been the case. However, it’s not impossible to consider that some popular programs not included in the ‘highways/transit’ portion may be added on.
- **What is the baseline** – usually a transportation bill has a clear spending baseline; however, IIJA was a mix of authorized funding that was guaranteed along with ‘advance appropriations’ which funded a number of programs and added funding for others. When we talk reauthorization; what is the baseline? Just the authorized amount or the combination of authorized and advanced appropriations. That determination will inform if the next bill is an increase, decrease, or flat number.
- **What to do with all of these new programs** – IIJA created numerous new competitive grant programs. Almost too many. There has been some healthy discussion on whether the sheer number of competitive programs has been too much. On a separate notion, there are those in Congress who have significant disdain as to how certain programs have been administered and/or opposition to the program’s purpose. Many believe that Congress will reduce the number of programs and may even eliminate most of them. Which programs may get cut, what happens to the funding associated with those programs, and how Congress will deal with addressing the underlying issue those programs addressed will be a key part of the next debate.

In May, we helped to organize and met with similarly sized MPOs across the country to discuss priorities. The idea behind the collaboration is to generate a unified set of ideas several MPOs can support that benefit regional governance and make sure that the region receives as much funding as possible. We will continue to lead this effort throughout the summer.

### **Summer 2024 Outlook**

While it is only May, the ‘silly season’ – as it is called, has begun. In May, Congress passed a much-needed reauthorization of Federal Aviation Administration (FAA) funding. The FAA funding bill was one of the last ‘must pass’ pieces of legislation this Congress must address. In theory, the only remaining ‘must-pass’ bill is an FY 2025 budget and it’s likely (see above) that might slip past the elections.

Congress will be in session for much of June and July, primarily working on the FY 2025 budget. However, Congress will likely also fill much of its time on messaging bills regarding taxes, border security, and other hot-topic issues. It is unlikely that outside of the FY 2025 budget, there will be much in the way of substantive Congressional action. However, that is not to say important groundwork won't be done. The next Congress will have to deal with the expiration of IIJA, the end of the 2018 tax cuts, as well as growing desire to address AI and privacy, which does impact transportation. Work will begin on each of these issues behind the scenes and we will monitor and report on all relevant action.

## **New Grant Opportunities**

In February, three new grant opportunities have been made available through USDOT:

- \$1.0 billion [Safe Streets for All](#) -- This program funds local and regional 'vision zero' plans as well as provides funding for implementation of those plans. In order for an entity to receive implementation funds it must have in place a 'vision zero' plan or safety action plan. USDOT is urging local governments to work regionally and submit proposals in a regional fashion. ***The legislation includes numerous deadlines, with the last being on August 30.***
- \$100 million [SMART Grant Program](#). The SMART program provides grants for demonstration projects focused on smart city technologies to improve transportation efficiency and safety. Phase 1 includes planning funding and phase 2 is implementation. \$100 million/year was authorized for the program and there is no local match requirement.
- \$10.5 million [FTA Transit Oriented Development Planning Grants](#). The Pilot Program for TOD Planning provides funding to local communities to integrate land use and transportation planning with a new fixed guideway or core capacity transit capital investment. Comprehensive planning funded through the program must examine ways to improve economic development and ridership, foster multimodal connectivity and accessibility, improve transit access for pedestrian and bicycle traffic, engage the private sector, identify infrastructure needs, and enable mixed-use development near transit stations.

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