

## SBCAG STAFF REPORT

**SUBJECT:** Federal Legislative Platform

**MEETING DATE:** February 17, 2022

**AGENDA ITEM:** 6

**STAFF CONTACT:** Lauren Bianchi Klemann

**RECOMMENDATION:**

- A. Receive a report from SBCAG's federal lobbyist, Don Gilcrest of Thomas Walters & Associates, Inc.
- B. Approve SBCAG's Federal Legislative Platform for 2022.
- C. Authorize the SBCAG Chair, Vice-Chair, and immediate past Chair to participate in legislative advocacy activities including remote opportunities and/or travel to Washington, DC.

**DISCUSSION:**

SBCAG's legislative program guides strategies to maximize funding and public policy opportunities for high priority transportation projects in Santa Barbara County and to protect the agency's interests and the communities it serves. The program is consistent with the Board's Measure A Strategic Plan goal to aggressively pursue outside matching funds to complete Measure A project commitments and meet the region's transportation needs.

SBCAG works with a federal lobbyist, Thomas Walters and Associates to develop an annual Federal legislative platform in order to effectively convey the Board's position on federal priorities to legislative representatives and federal agencies in Washington DC. Today, Don Gilcrest with Thomas Walters & Associates, Inc. will present SBCAG's draft 2022 federal legislative platform for the Board's consideration, review 2021 accomplishments, and discuss what to expect in 2022.

SBCAG Board of Directors approval of the 2022 federal legislative agenda will authorize staff, Board members, and its lobbyist to continue efforts to advocate for the agency's interests in Washington, DC. Attached to this staff report is the proposed draft of the federal 2022 legislative platform in two formats, a *redline* version that visually shows changes from the previously adopted version and a *clean copy* that is easier to read without the marked-up changes.

The draft 2022 Federal platform builds upon efforts in 2021 to maximize access to new funding sources and advocate for improvements to existing and developing programs. It aims to be responsive to the new Bipartisan Infrastructure Law signed by President Biden on November 15, 2021. As a priority issue for SBCAG in 2022, the platforms added collaboration with regional partners on the topic of broadband.

The platform identifies high priority topics with goals and strategies to address nine issue areas:

- 1. Federal funding for SBCAG's priority projects
- 2. Innovative Financing Options
- 3. Regional Partnerships

4. Augment Transportation Funding Sources
5. Support Full Implementation of Bipartisan Infrastructure Legislation to Protect Flexible Federal Funding Sources
6. Passenger Rail
7. Mobility and Climate Resiliency
8. Tax Benefit for Commuters
9. Pandemic Relief

### **Federal Legislative Advocacy**

The legislative strategy prepared by Thomas Walters & Associates, Inc. also indicates the importance of SBCAG members continuing to meet with congressional representatives, committee staff and Department of Transportation staff to communicate SBCAG's priorities. SBCAG staff will work with Thomas Walters & Associates, Inc. to schedule such meetings remotely and in-person (if possible) for Washington, DC legislative advocacy activities in 2022. Staff recommends the SBCAG Board authorize a delegation consisting of the SBCAG Board of Directors immediate past Chair, current Chair, and Vice-Chair. The SBCAG delegation will participate remotely and/or travel to Washington, DC to meet with the federal legislative delegation and transportation agency officials to discuss the Board's federal legislative platform.

*The above recommended actions are not a "Project" under the California Environmental Quality (CEQA) Act under CEQA Guidelines section 15378.*

### **COMMITTEE REVIEW:**

The Transportation Technical Advisory Committee discussed the federal legislative platform at the February 3, 2022, meeting and did not have additional feedback or recommendations for consideration of the SBCAG Board of Directors.

### **ATTACHMENTS:**

- A. DRAFT 2022 Federal Legislative Platform (redline copy)
- B. DRAFT 2022 Federal Legislative Platform (clean copy)
- C. 2022 Federal Legislative Update from Don Gilchrest, Thomas Walters & Associates, Inc.

ATTACHMENT A

**SBCAG 2024 Federal Legislative Platform**

Issue	Goal	Strategy
<p>1. Federal funding for SBCAG’s priority projects</p>	<p>Aggressively pursue funds through the annual federal appropriations process, <del>grant programs</del> <del>the multi-year Federal Transportation Reauthorization process,</del> <del>infrastructure initiatives</del> or any other federal sources.</p> <p>Raise awareness of the Highway 101 corridor and its importance as a transportation facility of state and national significance.</p>	<p>Work with SBCAG’s federal lobbyist, SBCAG member agencies, federal congressional delegation, local community leaders and organizations to aggressively advocate at the federal level for funding to complete projects promised to Santa Barbara County voters in the Measure A Investment Plan. <u>Work with Caltrans to pursue federal competitive grant opportunities like the RAISE and INFRA programs to fund SBCAG priority projects.</u> Work to ensure that “self-help” counties receive appropriate recognition and credit for the local investment in transportation when competitive grants are awarded through federal programs.</p> <p>Educate our congressional delegation and funding agency partners about the <u>Santa Barbara U.S. 101 Multimodal Corridor</u> project’s funding needs, timing and schedule. Work with the Central Coast Coalition and Caltrans to raise awareness of the importance of <u>U.S. 101</u> and its need for improvements as one of only two north-south interregional corridors in the state.</p>

Issue	Goal	Strategy
<p><del>2. Pandemic Recovery Relief</del></p>	<p><del>Support direct and flexible fiscal assistance to local and regional governments of all sizes for pandemic relief.</del></p> <p><del>Support investment in transportation programs to provide relief from impacts of the COVID-19 pandemic and assist the economic recovery.</del></p>	<p><del>Local governments are on the front lines of emergency response while also facing budget shortfalls from decreases in locally generated tax revenue and increases in unanticipated expenses. Work for provisions in future pandemic relief legislation to direct fiscal relief funding to local and regional governments of all sizes.</del></p> <p><del>Work through pandemic relief legislation and infrastructure programs/initiatives to support response and recovery through additional assistance for transit, increased funding, and federal share in transportation programs, flexibility to use recovery funds for infrastructure such the surface transportation block grant, and new programs to expand project opportunities.</del></p>
<p><del>23. Innovative Financing Options.</del></p>	<p><del>Pursue-Finalize</del> financing through the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program to lower the cost of the U.S. 101 Multimodal Corridor project.</p>	<p>Work with Department of Transportation to obtain credit assistance through TIFIA for the U.S. 101 Multimodal Corridor project. <del>Congress The FAST Act and other federal surface transportation legislation</del> authorized the TIFIA program to provide credit assistance for transportation projects in the form of direct loans, loan guarantees, and standby lines of credit. TIFIA financing can substantially reduce lending costs compared to other bonding options. Work for administrative or legislative provisions to reduce</p>

Issue	Goal	Strategy
	<p>Support alternative financing tools for state and local governments to access needed capital for infrastructure projects.</p>	<p>or eliminate the TIFIA administration fees to SBCAG.</p> <p>Work with SBCAG’s federal lobbyist and federal congressional delegation to support the National Infrastructure Investment Corporation Act sponsored –by Congressional Representative Carbajal, which would set up a national infrastructure bank to help leverage private and public dollars for local government projects.</p>
<p><u>34. Regional Partnerships</u></p>	<p><u>Work diligently with Broadband Consortium of the Pacific Coast, regional economic development organizations, cities, the County, Caltrans and the Santa Ynez Band of Chumash Indians, National League of Cities, and National Association of Counties to identify opportunities and pursue funding to improve, develop and expand the availability, accessibility, competition, and reliability of high-speed broadband internet services.</u></p>	<p><u>Developing a countywide Broadband Strategic Plan is one of SBCAG’s top priorities in 2022. Federal and state governments have prioritized funding for communities to access high-performing internet in homes, schools, healthcare, libraries and businesses, and work toward digital inclusion across the country. SBCAG is particularly interested in services provided to unserved or underserved households, or businesses at speeds sufficient to enable users to generally meet their needs, including simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household, business and emergency preparedness and response system demands for bandwidth.-</u></p>

Issue	Goal	Strategy
	<p>Coordinate with Santa Barbara Metropolitan Transit District <u>and transit partners</u> on efforts to mitigate impacts from the Urbanized Area Formula Program for Small Transit-Intensive Cities related to potential population reclassification following the 2020 Census.</p> <p>Coordinate with Vandenberg <u>SpaceAir</u> Force Base to maximize access to <del>f</del>Federal funding resources for the delivery of regional transportation projects <del>to support the Space Operations Command</del> as well as public and private partnerships associated with the new, competitive industry.</p>	<p>Santa Barbara Metropolitan Transit District (SBMTD) serves the small UZA of Santa Barbara, California with a population just under 200,000, according to the 2010 Census. SBMTD receives nearly \$1.6 million annually through the Small Transit-Intensive Cities portion of the Section 5307 UZA formula program. It is anticipated that the Santa Barbara UZA population will exceed 200,000 following the 2020 Census. The anticipated population change will result in the reclassification of the Santa Barbara area from a small UZA to a large UZA. The reclassification will result in the loss of the significant annual Small Transit-Intensive Cities apportionment.</p> <p>Support federal Small Transit-Intensive Cities legislation that would eliminate or mitigate the loss of funding for small cities that exceed the formula's population threshold following a decennial Census.</p> <p>SBCAG will collaborate with Vandenberg <u>SpaceAir</u> Force Base to pursue funding to improve safety and goods movement conditions on regional Highway systems in Santa Barbara County.</p>

Issue	Goal	Strategy
<p>45. Augment Transportation Funding Sources</p>	<p>Seek an increase in transportation revenues to address <del>future</del> funding needs for maintenance, repair, operation and improvement of the transportation system</p>	<p>Revenues from motor fuels taxes that are currently being deposited into the Highway Trust Fund are not sufficient to fund <del>baseline funding levels for</del> federal transportation programs <u>when the current surface transportation authorization expires in 2026</u>, <del>let alone the program increases that SBCAG is seeking</del>. The federal gas tax was last increased to its current 18.4 cent per gallon rate in October of 1993. Since then, the purchasing power of the federal gasoline excise tax has been reduced by more than 50% because of inflation.</p> <p>Support legislation to raise new user-fee based revenue to bring the Highway Trust Fund into balance. The federal user fee should also be indexed to inflation to prevent the erosion of its purchasing power.</p>
<p>56. <u>Support full implementation of bipartisan infrastructure legislation to protect</u> Maintain Existing Flexible Federal Funding Sources</p>	<p>Protect Flexibility of Surface Transportation Program Funds.</p> <p><del>Support increased suballocation of transportation formulas to the local level.</del></p>	<p>Surface Transportation Program Funds are one of the very few federal funding sources that are flexible in their use. This flexibility is very important to SBCAG and its local agency partners. Work with the Central Coast Coalition, and other partners to protect the flexibility of Surface Transportation Block Grant Program funding <del>in future transportation legislation</del>.</p>

Issue	Goal	Strategy
	<p>Ensure that new federal <u>program requirements</u> or performance measures are not overly prescriptive or restrict SBCAG access to federal funds.</p> <p><del>Increase Metropolitan Planning Organization (MPO) Planning (PL) funds</del></p> <p>Protect Existing Transit and Active Transportation Program Funding.</p>	<p><del>Currently, 55 percent of Surface Transportation Block Grant (STBG) funding is suballocated to the local level, which provides MPOs/urbanized areas with a guaranteed population apportionment. Work with Representative Carbajal to continue support for his successful amendment to increase suballocation to 60 percent when the 117<sup>th</sup> Congress takes up infrastructure legislation again. With a higher suballocation percentage, agencies like SBCAG would receive a higher share of STBG, allowing more projects to be delivered.</del></p> <p>Protect against overly prescriptive or burdensome new federal regulations. Work with the Central Coast Coalition, and other partners to retain full access to federal transportation funds and <u>ensure</u> compliance with new regulations is not burdensome.</p> <p><del>After years of stagnant funding levels, MPO PL funding increased slightly in the FAST Act. Work to further increase PL funding in the next surface transportation program reauthorization or other transportation legislation.</del></p> <p>Transit and active transportation programs often must compete with other modes for limited federal transportation funding. Work with other partners to protect existing funding levels.</p>

Issue	Goal	Strategy
<p><u>67.</u> Passenger Rail</p>	<p>Support capital <del>formula</del> funding for state supported intercity rail corridors.</p>	<p>Support increased capital funding for <del>f</del>Federal rail programs, while advocating for appropriate funding levels and future rail investments for state-supported services along the LOSSAN rail corridor.</p> <p><del>Continue to seek</del> <u>Monitor implementation of new rail funding in the Bipartisan Infrastructure Law innovative funding opportunities; including to maximize support for passenger rail infrastructure and service improvement projects and programs along the Central Coast. Continue to support</u> efforts to develop federal formula capital programs for intercity rail, streamlined federal activities and future rail safety enhancement programs.</p>
<p><u>78.</u> Mobility and Climate Resiliency</p>	<p>Ensure that <del>f</del>Federal climate change legislation includes support for local transportation improvements to reduce greenhouse gas emissions.</p>	<p>Efforts to mitigate climate change will <u>continue to</u> be a high priority issue for Congress and the <del>new</del> Administration in <del>the 117<sup>th</sup> Congress.</del> <u>2022</u>. The transportation sector is the leading source of greenhouse gas emissions and needs a strong partner <del>for</del> state and regional efforts to make transportation networks responsive to transformative technologies and the changing</p>

Issue	Goal	Strategy
		<p>climate. Work with federal legislators to ensure that local transportation improvements like transit, passenger rail, and HOV lanes are included to reduce vehicle miles traveled and the pollution that can result from traffic congestion.</p> <p><del>Any new Surface Transportation Reauthorization legislation should increase funding for the core highway, transit, passenger rail, and multimodal freight programs authorized by the FAST Act.</del></p>
<p><del>89.</del> Tax Benefit for Commuters</p>	<p>Support legislation to restore the tax deduction for employers who provide mass transit and parking benefits to their employees.</p>	<p>P.L. 115-97, the 2017 federal tax law, eliminated the tax deduction that employers could claim for providing transit, parking and bicycle commuting subsidies as a fringe benefit. Work with our federal legislators to restore this tax deduction to encourage commuting alternatives that will help reduce vehicle miles travelled and reduce traffic congestion.</p>
<p><u>9. Pandemic Recovery</u></p>	<p><u>Support investment in transportation programs to provide relief from impacts of the COVID-19 pandemic and assist the economic recovery.</u></p>	<p><u>Work through pandemic relief legislation and infrastructure programs to support response and recovery through additional assistance for transit, increased funding, federal share in transportation programs, flexibility to use recovery funds for infrastructure, and new programs to expand project opportunities.</u></p>

ATTACHMENT B

**SBCAG 2022 Federal Legislative Platform**

<b>Issue</b>	<b>Goal</b>	<b>Strategy</b>
<p>1. Federal funding for SBCAG's priority projects</p>	<p>Aggressively pursue funds through the annual federal appropriations process, grant programs or any other federal sources.</p> <p>Raise awareness of the Highway 101 corridor and its importance as a transportation facility of state and national significance.</p>	<p>Work with SBCAG's federal lobbyist, SBCAG member agencies, federal congressional delegation, local community leaders and organizations to aggressively advocate at the federal level for funding to complete projects promised to Santa Barbara County voters in the Measure A Investment Plan. Work with Caltrans to pursue federal competitive grant opportunities like the RAISE and INFRA programs to fund SBCAG priority projects. Work to ensure that "self-help" counties receive appropriate recognition and credit for the local investment in transportation when competitive grants are awarded through federal programs.</p> <p>Educate our congressional delegation and funding agency partners about the Santa Barbara U.S. 101 Multimodal Corridor project's funding needs, timing and schedule. Work with the Central Coast Coalition and Caltrans to raise awareness of the importance of U.S. 101 and its need for improvements as one of only two north-south interregional corridors in the state.</p>

<b>Issue</b>	<b>Goal</b>	<b>Strategy</b>
2. Innovative Financing Options.	<p>Finalize financing through the Federal Transportation Infrastructure Finance and Innovation Act (TIFIA) program to lower the cost of the U.S. 101 Multimodal Corridor project.</p> <p>Support alternative financing tools for state and local governments to access needed capital for infrastructure projects.</p>	<p>Work with Department of Transportation to obtain credit assistance through TIFIA for the U.S. 101 Multimodal Corridor project. Congress authorized the TIFIA program to provide credit assistance for transportation projects in the form of direct loans, loan guarantees, and standby lines of credit. TIFIA financing can substantially reduce lending costs compared to other bonding options. Work for administrative or legislative provisions to reduce or eliminate the TIFIA administration fees to SBCAG.</p> <p>Work with SBCAG's federal lobbyist and federal congressional delegation to support the National Infrastructure Investment Corporation Act sponsored by Congressional Representative Carbajal, which would set up a national infrastructure bank to help leverage private and public dollars for local government projects.</p>
3. Regional Partnerships	Work diligently with Broadband Consortium of the Pacific Coast, regional economic development organizations, cities, the County, Caltrans and the Santa Ynez Band of Chumash Indians, National League of Cities and National Association of Counties to identify opportunities	Developing a countywide Broadband Strategic Plan is one of SBCAG's top priorities in 2022. Federal and state governments have prioritized funding for communities to access high-performing internet in homes, schools,

<b>Issue</b>	<b>Goal</b>	<b>Strategy</b>
	<p>and pursue funding to improve, develop and expand the availability, accessibility, competition, and reliability of high-speed broadband internet services.</p> <p>Coordinate with Santa Barbara Metropolitan Transit District and transit partners on efforts to mitigate impacts from the Urbanized Area Formula Program for Small Transit-Intensive Cities related to potential population reclassification following the 2020 Census.</p>	<p>healthcare, libraries and businesses, and work toward digital inclusion across the country. SBCAG is particularly interested in services provided to unserved or underserved households, or businesses at speeds sufficient to enable users to generally meet their needs, including simultaneous use of work, education, and health applications, and also sufficiently robust to meet increasing household, business and emergency preparedness and response system demands for bandwidth.</p> <p>Santa Barbara Metropolitan Transit District (SBMTD) serves the small UZA of Santa Barbara, California with a population just under 200,000, according to the 2010 Census. SBMTD receives nearly \$1.6 million annually through the Small Transit-Intensive Cities portion of the Section 5307 UZA formula program. It is anticipated that the Santa Barbara UZA population will exceed 200,000 following the 2020 Census. The anticipated population change will result in the reclassification of the Santa Barbara area from a small UZA to a large UZA. The reclassification will result in the loss of the significant annual Small Transit-Intensive Cities apportionment.</p>

<b>Issue</b>	<b>Goal</b>	<b>Strategy</b>
	<p>Coordinate with Vandenberg Space Force Base to maximize access to federal funding resources for the delivery of regional transportation projects as well as public and private partnerships associated with the new, competitive industry.</p>	<p>Support federal Small Transit-Intensive Cities legislation that would eliminate or mitigate the loss of funding for small cities that exceed the formula's population threshold following a decennial Census.</p> <p>SBCAG will collaborate with Vandenberg Space Force Base to pursue funding to improve safety and goods movement conditions on regional Highway systems in Santa Barbara County.</p>
<p>4. Augment Transportation Funding Sources</p>	<p>Seek an increase in transportation revenues to address future funding needs for maintenance, repair, operation and improvement of the transportation system</p>	<p>Revenues from motor fuels taxes that are currently being deposited into the Highway Trust Fund are not sufficient to fund federal transportation programs when the current surface transportation authorization expires in 2026. The federal gas tax was last increased to its current 18.4 cent per gallon rate in October of 1993. Since then, the purchasing power of the federal gasoline excise tax has been reduced by more than 50% because of inflation.</p> <p>Support legislation to raise new user-fee based revenue to bring the Highway Trust Fund into balance. The federal user fee should also be indexed to inflation to prevent the erosion of its purchasing power.</p>

<b>Issue</b>	<b>Goal</b>	<b>Strategy</b>
<p>5. Support full implementation of bipartisan infrastructure legislation to protect Flexible Federal Funding Sources</p>	<p>Protect Flexibility of Surface Transportation Program Funds.</p> <p>Ensure that new federal program requirements or performance measures are not overly prescriptive or restrict SBCAG access to federal funds.</p> <p>Protect Existing Transit and Active Transportation Program Funding.</p>	<p>Surface Transportation Program Funds are one of the very few federal funding sources that are flexible in their use. This flexibility is very important to SBCAG and its local agency partners. Work with the Central Coast Coalition, and other partners to protect the flexibility of Surface Transportation Block Grant Program funding.</p> <p>Protect against overly prescriptive or burdensome new federal regulations. Work with the Central Coast Coalition, and other partners to retain full access to federal transportation funds and ensure compliance with new regulations is not burdensome.</p> <p>Transit and active transportation programs often must compete with other modes for limited federal transportation funding. Work with other partners to protect existing funding levels.</p>

<b>Issue</b>	<b>Goal</b>	<b>Strategy</b>
6. Passenger Rail	Support capital funding for state supported intercity rail corridors.	<p>Support increased capital funding for federal rail programs, while advocating for appropriate funding levels and future rail investments for state-supported services along the LOSSAN rail corridor.</p> <p>Monitor implementation of new rail funding in the Bipartisan Infrastructure Law to maximize support for passenger rail infrastructure and service improvement projects and programs along the Central Coast. Continue to support efforts to develop federal formula capital programs for intercity rail, streamlined federal activities and future rail safety enhancement programs.</p>
7. Mobility and Climate Resiliency	Ensure that federal climate change legislation includes support for local transportation improvements to reduce greenhouse gas emissions.	Efforts to mitigate climate change will continue to be a high priority issue for Congress and the Administration in 2022. The transportation sector is the leading source of greenhouse gas emissions and needs a strong partner for state and regional efforts to make transportation networks responsive to transformative technologies and the changing climate. Work with federal legislators to ensure that local transportation improvements like transit, passenger rail, and HOV lanes are included to reduce vehicle miles traveled and the pollution that can result from traffic congestion.

<b>Issue</b>	<b>Goal</b>	<b>Strategy</b>
8. Tax Benefit for Commuters	Support legislation to restore the tax deduction for employers who provide mass transit and parking benefits to their employees.	P.L. 115-97, the 2017 federal tax law, eliminated the tax deduction that employers could claim for providing transit, parking and bicycle commuting subsidies as a fringe benefit. Work with our federal legislators to restore this tax deduction to encourage commuting alternatives that will help reduce vehicle miles travelled and reduce traffic congestion.
9. Pandemic Recovery	Support investment in transportation programs to provide relief from impacts of the COVID-19 pandemic and assist the economic recovery.	Work through pandemic relief legislation and infrastructure programs to support response and recovery through additional assistance for transit, increased funding, federal share in transportation programs, flexibility to use recovery funds for infrastructure, and new programs to expand project opportunities.

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# REPORT

Thomas Walters & Associates, Inc.



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February 1, 2022

## **Santa Barbara County Association of Governments Federal Legislative Update**

**To: Board of Directors, Santa Barbara County Association of Governments (SBCAG)**  
**From: Don Gilchrest, Thomas Walters & Associates, Inc.**

Thomas Walters & Associates, Inc., worked to aggressively advocate your Board's federal priorities throughout 2021 as Congress and the Biden Administration pursued a far-ranging pandemic response and economic recovery agenda.

Early in the year, H.R. 1319, the *American Rescue Plan Act*, was passed to provide \$1.9 trillion for COVID-19 response. In addition, enactment of a long-anticipated federal infrastructure initiative was one of the legislative highlights for SBCAG when H.R. 3684, the *Infrastructure Investment and Jobs Act (IIJA)*, was signed into law on November 15.

Substantial legislative activity also took place on the annual appropriations bill to fund federal transportation programs and a budget reconciliation bill to implement President Biden's Build Back Better plan. These initiatives are incomplete and have carried over as work items for the 2022 session of Congress.

On each of these issues we lobbied your federal platform with Congressional members and the Administration, including Representative Carbajal, Senator Feinstein and Senator Padilla, and Congressional committees with transportation policy jurisdiction. Due to pandemic restrictions, it was not possible for SBCAG Board members and staff to travel to Washington, DC, for advocacy meetings. However, through close coordination with Executive Director Kirn and other SBCAG staff, we were able to effectively advocate your agenda using virtual meetings and other socially distanced forms of lobbying.

The following report provides additional details on legislative activity in 2021 and issues that we anticipate for the current year. Thomas Walters & Associates, Inc., looks forward to working with you to advocate your Board's adopted platform and priorities throughout 2022.

## **2021 LEGISLATIVE ACTIVITY**

### **Infrastructure/Surface Transportation Reauthorization**

The enactment of a bipartisan infrastructure agreement in 2021 was a major accomplishment for SBCAG that brought to culmination several years of advocacy by your Board and staff. President Biden signed H.R. 3684, the *Infrastructure Investment and Jobs Act (IIJA)*, into law on November 15, which provides \$550 billion in new (above baseline) spending for infrastructure programs. The focus is on transportation programs, but also includes a broad array of investments in other areas such as broadband, water projects, and environmental restoration.

A key part of our advocacy on the infrastructure bill was arranging and participating in a March 26 virtual lobby day for Chair Sierra, Vice Chair Williams, and immediate past Chair Hart to meet with Representative Carbajal, staff for Senators Feinstein and Padilla, and the Senate Environment and Public Works Committee. We also met with DOT Under Secretary Carlos Monje and his staff to request their support for SBCAG's project applications in the RAISE and INFRA grant programs.

We worked with our local delegation and Committees in Congress throughout the year to advocate for inclusion of SBCAG's priorities in the infrastructure bill. Representative Carbajal, who serves on the House Transportation and Infrastructure Committee, had a significant role in helping to bring the legislation to fruition. In June, the Committee took a key step by drafting the House version of H.R. 3684, and the full House passed it on July 1. Senator Padilla serves on the Senate Environment and Public Works Committee, which also played a key role in drafting the portions of the bill related to highway programs.

### *Surface Transportation Programs*

The *Fixing America's Surface Transportation Act* expired in 2021 and ensuring continuity and expansion of federal surface transportation programs was a major objective of our infrastructure advocacy. The bipartisan infrastructure legislation includes a five-year reauthorization of these programs that significantly increases funding for federal highway formulas. The legislation transfers \$118 billion from the General Fund to the Highway Trust Fund, which is projected to ensure the solvency of these programs through 2026.

### *Highway and Bridge Grant Programs*

The legislation includes new and increased funding opportunities for highway and bridge projects through competitive grant programs. The INFRA Program is funded

at \$8 billion for Nationally Significant Freight and Highway Projects, which is a 60 percent increase compared to the previous funding. RAISE (aka TIGER or BUILD) grants received \$7.5 billion which is 50 percent higher than past appropriated levels. A new National Infrastructure Project Assistance Grant program is funded at \$5 billion for large surface transportation projects in various modes. Half of the money will go towards projects costing over \$500 million, and the other half will go towards projects costing between \$100 million and \$500 million. The funding for these programs is likely to be supplemented with additional funding through annual appropriations bills.

Bridge rehabilitation or replacement projects received a major infusion of funding through a new \$27.5 billion formula program. An additional \$12.5 billion is provided for competitive bridge grants for which local or regional governments are eligible to apply. The off-system bridge set-aside in the Surface Transportation Block Grant Program is increased, which makes available another \$1 billion dedicated to local bridges each year.

#### *Climate Change/Resiliency*

The infrastructure package includes several important provisions to address climate change and resilience, including:

- \$6.2 billion for a new Transportation Carbon Reduction Formula Program.
- \$7.5 billion to support charging infrastructure for electric vehicles.
- \$8.7 billion for a new PROTECT Grant Program to improve the resiliency of transportation infrastructure.

#### *Public Transit*

H.R. 3684 includes \$41.1 billion for transit above the current baseline funding levels. Funding to public transportation agencies through Federal Transit Administration formulas is increased from \$10.15 billion per year to \$16.692 billion by fiscal year 2026. Bus and Bus Facility programs see significant increases, including a total of \$5.6 billion for no- or low-emission buses. The Capital Investment Grants Program/New Starts receive \$8 billion of guaranteed funding with an additional \$15 billion authorized for possible future appropriations.

A provision was included in the House version of the infrastructure bill at Representative Carbajal's request to mitigate the loss of nearly \$1.6 million annually to Santa Barbara Metropolitan Transit District (SBMTD) from the Small Transit-Intensive Cities program. Under the provision, SBMTD would be partially grandfathered into the program for an additional three years if 2020 Census population reclassification causes them to exceed the eligibility limits. Unfortunately, this provision was not included in the bipartisan Senate legislation that was eventually signed into law. However, the underlying STIC program was continued in

the reauthorization legislation and the set-aside for the program is increased from 2 percent of the urbanized area formula program to 3 percent.

### *Passenger Rail*

We continued to lobby in 2021 for federal programs that support inter-city passenger rail as possible sources of support for improving commuter rail options in the Central Coast. The infrastructure legislation includes several important rail provisions, including \$5 billion for the Consolidated Rail Infrastructure and Safety Improvement Program. In addition, \$36 billion is provided for Federal-State Partnership for Intercity Passenger Rail grants, which includes eligibilities for expansion or construction of new intercity passenger rail routes.

### *Project Earmarks*

For the first time in over a decade, the House Transportation and Infrastructure Committee allowed members to request funding for specific projects for inclusion in the surface transportation program reauthorization legislation. We worked with Representative Carbajal to request funding for the Santa Barbara U.S. 101 Multimodal Corridor Project in the legislation. When the House passed its version of the infrastructure bill, the *INVEST in America Act*, Representative Carbajal was able to designate \$11 million for the project. We also requested that Senator Feinstein and Senator Padilla support the project with earmarked funding when the Senate drafted its version of the bill. However, the Senate did not implement an earmark process for the highway bill, with the result that no project earmarks were included in the final version. We are continuing to advocate for the project as Congress wraps up the FY 2022 appropriations process in hopes that the funding could be included in that legislative vehicle.

### **FY 2022 Transportation Appropriations**

We worked throughout the year to advocate for SBCAG's priorities in the fiscal year 2022 appropriations process and provided detailed budget justifications to Santa Barbara County's legislative delegation for their use in working with the Appropriations Committees on SBCAG's behalf. As has often been the case in recent years, the new federal fiscal year began on October 1, 2021, without any of the 12 annual appropriations bills signed into law. Continuity of operations was maintained through enactment of a Continuing Resolution that provides funding through February 18. This ensures that the funding bills are at the top of the to-do list for this year and leaders on the Appropriations Committees are currently negotiating the broad outlines of an agreement. It is likely that an additional short-term funding extension will be needed to give Congress enough time to finish the appropriations bills.

### **Pandemic Response**

H.R. 1319, the *American Rescue Plan Act*, was signed into law on March 11, and provided \$1.9 trillion of additional COVID-19 relief that included direct payments to

individuals, enhanced unemployment benefits, and funding for public health/vaccine distribution. The legislation provided \$30.5 billion to transit agencies to prevent, prepare for, and respond to the coronavirus public health emergency. The legislation also provided \$350 billion of direct, flexible payments to state, county, city, and tribal governments to support their response to and recovery from the COVID-19 pandemic. Although ARPA includes significant authorities for aid recipients to transfer funds to other governments, the legislation did not include direct aid to MPOs.

### **Project Funding**

In 2021, SBCAG continued to pursue funding for the Santa Barbara U.S. 101 Multimodal Corridor project through the Department of Transportation's Better Utilizing Investments to Leverage Development (BUILD) and Infrastructure for Rebuilding America (INFRA) discretionary grant programs. SBCAG submitted applications for these programs and our local delegation contacted Secretary of Transportation Buttigieg to urge support for the applications. In addition, SBCAG staff discussed the project with senior staff from the Secretary's office. The recent solicitations continued to be very competitive and SBCAG was not successful in receiving funds.

### **Credit Assistance/TIFIA Program**

Congress established the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to provide additional opportunities for federal assistance for transportation projects. In 2019, SBCAG submitted a letter of interest for TIFIA assistance for the Santa Barbara U.S. 101 Multimodal Corridor project because it can significantly reduce the risk for financing projects compared to traditional bonding methods. As part of the TIFIA application process, SBCAG included letters of support from the local delegation. SBCAG will be working with the Build America Bureau to close on the loan for the Santa Barbara U.S. 101 Multimodal Corridor project in Summer 2022.

In addition, Representative Carbajal introduced H.R. 4780, which would establish a government corporation to provide loans and loan guarantees for infrastructure projects. *The National Infrastructure Investment Corporation (NIIC) Act* proposed to set up a national infrastructure bank to help leverage private and public dollars for local government projects. The legislation was referred to the House Committee on Transportation and Infrastructure but was not included in the recently enacted bipartisan infrastructure legislation.

### **Central Coast Coalition**

SBCAG has been a leader in bringing together the transportation agencies from the five Counties on California's Central Coast in order to coordinate advocacy and support common goals. In September, we provided assistance to the Coalition to implement its first Washington, DC, lobby day to advocate on federal legislation and programs. We met with staff and members of the House representing the Central

Coast in the House, staff for Senators Feinstein and Padilla, and officials from the Department of Transportation and the White House Office of Intergovernmental Affairs. The Coalition used the meetings to highlight the importance of the U.S. 101 corridor in the Central Coast, which provided SBCAG additional opportunities to advocate for the Santa Barbara U.S. 101 Multimodal Corridor project.

## **2022 OUTLOOK**

### **Build Back Better Plan**

House and Senate Democrats are continuing to discuss the details of legislation to implement President Biden's Build Back Better Plan. Although the House passed H.R. 5376, the Build Back Better budget reconciliation legislation, on November 19, Senate deliberations on the bill have come to a standstill because of the announcement by Senator Manchin (D-WV) that he would not support the legislation. The next steps for the bill are still unclear.

The version of the Build Back Better legislation that was passed by the House is focused on climate change mitigation and improving the social safety net. There are several provisions in the legislation that are designed to improve transportation. These include:

- \$10 billion for a Federal Transit Administration program to promote enhanced mobility for affordable housing.
- \$10 billion for high-speed rail.
- \$4 billion to support neighborhood equity, safety, and affordable transportation access, including reconnecting communities divided by existing infrastructure barriers.
- \$4 billion for Department of Transportation carbon reduction project grants. \$3 billion of this would be for competitive grants to local governments.

### **Pandemic Relief and Recovery**

The Biden Administration is expected to propose additional legislation to respond to the pandemic emergency. The current focus is on providing additional assistance to public health programs and specific industries such as restaurants. We are closely monitoring the legislation for any opportunities to provide additional emergency funding for transit and highways or investment in transportation projects to provide economic stimulus to aid the recovery.

### **Project Funding**

SBCAG continues to aggressively pursue funds through federal programs for the Santa Barbara U.S. 101 Multimodal Corridor project. Grant opportunities this year will include the RAISE (aka BUILD) program and the INFRA program. SBCAG will also continue to work with the Build America Bureau at Department of

Transportation to pursue credit assistance through the TIFIA program for the Santa Barbara U.S. 101 Multimodal Corridor project.

### **Fiscal Year 2022 and 2023 Funding**

Federal appropriations for Department of Transportation programs provide crucial support for SBCAG and we will be seeking opportunities this year to provide additional funding to infrastructure programs above and beyond the levels that were enacted in the bipartisan infrastructure legislation. Because none of the 12 funding bills for the current fiscal year have been enacted yet, finishing up the FY 2022 appropriations process is at the top of this year's to-do list. The Administration is also expected to submit its budget proposals for the FY 2023 appropriations cycle by early March. Our appropriations advocacy will focus on fully implementing the bipartisan infrastructure legislation and seeking supplemental funding for key programs.

### **BIL Implementation**

The five-year surface transportation program reauthorization and new or expanded grant programs that were included in the bipartisan infrastructure legislation will have many impacts and opportunities for SBCAG. We are in regular contact with the Department of Transportation and consulting with SBCAG staff regarding the various notices of funding opportunity, webinars and guidance for the new programs.

### **Highway Trust Fund**

The bipartisan infrastructure legislation transferred \$118 billion from the General Fund to the Highway Trust Fund, which is projected to ensure the solvency of these programs through 2026. For this reason, Congress is not likely to devote any attention to the solvency of the Trust Fund in 2022. However, projections are that future revenues will not be sufficient to continue current-level transportation spending outside of the five-year window of the infrastructure bill.

### **Climate Change**

Additional steps to address climate change are likely in 2022, though those bills will have difficulty passing the Senate without bipartisan support. SBCAG will continue to advocate that local transportation improvements like transit, passenger rail, and HOV lanes are included in federal proposals to reduce vehicle miles traveled and greenhouse gas emissions that can result from traffic congestion.

### **Small Transit Intensive Cities**

The Small Transit Intensive Cities (STIC) Program sets aside a portion of Federal Transit Administration's formula programs for cities that provide disproportionately more transit service and carry a greater number of passengers, on average. Due to a strong statistical performance, the Santa Barbara Urbanized Area has often qualified for the maximum of STIC payments, making this an important source of funding for Santa Barbara Metropolitan Transit District. SBCAG is supporting an addition to the STIC authorization that would mitigate the loss of funding for small urbanized

areas that exceed the formula's population threshold following reclassification in the decennial census in 2020. Representative Carbajal was successful in adding this provision to the House version of the bipartisan infrastructure legislation, but the language was not included the final bill. SBCAG will continue to work for enactment of this legislative relief in the coming year.

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