

TO: Marketing, Planning & Legislative Committee

DATE: December 30, 2020

FROM: Rick Ramacier
General Manager

SUBJECT: County Connection 2021
Federal Advocacy Program

Background

Staff is identifying issues and priorities for the County Connection 2021 Federal Advocacy Program. Next month, we will present a draft program for your review and comment. Also, we will present a mock-up of our annual pamphlet.

Below are brief descriptions of the issues we are anticipating will be the priority focus of our 2021 program.

Identified Priority Points

The incoming administration has indicated that supporting public transit will likely be a priority for them. However, we will not really begin to see how that plays out until February. Meanwhile, we have three important hold over issues that will be actively engaged on in some manner in 2021.

Additional Stimulus/Relief Related to Covid-19

The Emergency Coronavirus Relief Act was just enacted. At just under one trillion dollars, the Act is about half of what the stated needs are. Thus, the incoming administration is stating that another such act may be pursued. Among the things yet to be addressed in this most recent legislation are state and local relief funding and public transit support for about 75% of the parts on the country that will not see any help from the Emergency Coronavirus Relief Act.

Under the Emergency Coronavirus Relief Act, roughly 75% of the country will see none of the \$14 billion going to public transit. This is due to a unique clause put into the legislation regarding federally designated Urbanized Areas (UZA). How this relates to the Bay Area is as follows: The Bay Area (MTC) will receive just under a billion dollars for public transit support from the Emergency Coronavirus Relief Act. However, the language of the bill is such that only three of the 12 UZA in the Bay Area can receive funding from the Act. These UZA include the San Francisco-Oakland, San Jose, and Santa Rosa UZAs. County Connection operates in the Concord UZA. Thus, County Connection cannot receive any funding from the latest Act. Also excluded in the Bay Area are the Livermore, Antioch, Napa, Fairfield, and Vacaville, among others. This scenario is repeated throughout the country.

Therefore, discussions have begun to ensure that a next round of federal Covid-19 stimulus/relief funding include support for all transit operators, not just those serving a few select UZAs.

So, staff plans to include this issue in the draft program next month.

Federal Transportation Re-authorization

The Federal Transportation Authorization (FAST) was set to expire at the end of September 2020. It was extended for one year to September 30, 2021. Thus, it will be a top priority of the incoming administration and the new congress to enact a transportation reauthorization. To that end, the House passed such a reauthorization called The Invest In America Act (INVEST) this past summer. The Senate has yet to take action.

INVEST increases federal support by 133% over existing record levels. That is the good news. The challenge with this draft is that it does not move forward the interests of County Connection – and many other public transportation agencies across the county – relative to supporting and promoting innovative solutions to first and last mile services, and other mobility programs that are customer focused. Furthermore, in a few instances, the draft bill makes things perhaps more difficult.

So, staff is likely to include language in the draft federal program that is similar to what we called for relative to federal transportation reauthorization in our 2020 federal advocacy program.

Full Fiscal Year (FY) 2022 Federal Transit Appropriations

As it is often said in politics, you can't spend an authorization. There has to be an appropriation. Over the recent past, the federal transit appropriations in the federal budget have matched the authorized levels. However, this has not always been the case. During certain times, appropriations have been significantly lower than authorized levels. This was especially true during the last stretch of time where deficit and debt reduction were top priorities of congress.

Given how large the debt is growing at this time, talk has re-emerged in congress regarding deficit and debt reduction once we return to a pre Covid-19 economy. Thus, it would not be surprising if transit finds itself having to work to see federal transit appropriation bills meet authorized levels as early as the FY22 budget year. County Connection has a large bus procurement project coming up in FY22 that could be jeopardized should the federal transit appropriations be significantly lower than what is likely to be authorized.

Thus, staff will include requesting that federal transit appropriations be fully funded to authorized levels in the FY22 budget.

Restoring the Highway Trust Fund (Mass Transit Account)

As has been discussed for a few years, the Highway Trust Fund (HTF), including the Mass Transit Account (MTA) are/have running out of money. This is largely due to the federal gas tax rate paid at the pump having not been increased since 1993. Thus, the HTF has lost a great deal of its purchasing power over that time. With both of these accounts near broke, much of the projects and programs they support are being funded by general funds out of the general federal budget and not the trust funds themselves. This leads to a good deal of uncertainty and also cost increases on the project side. Restoring the HTF and MTA to their previous purchasing power remains a top priority for transportation providers of all kinds.

Staff will include the issue of restoring the HTF and MTA in our draft federal program.

Committee Feedback & Direction

Staff requests that the Committee discuss this item and provide us with feedback and direction regarding the drafting of 2021 County Connection federal advocacy program. Also, are there other issues you would like us to include? We will take such feedback and direction and use it to help prepare a draft program for your review in February.