

# CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

## Study Session Worksheet

**Presentation Date:** February 24, 2009    **Time:** 2:30 pm    **Length:** 60 min

**Presentation Title:** Federal Agenda

**Department:** Public and Government Affairs

**Presenters:** Elissa Gertler, Hal Hiemstra and Michelle Giguere, Ball Janik

### POLICY QUESTION:

Which issues should the County identify as priorities for Federal funding and policy this year?

### ISSUE & BACKGROUND

Every year, the Board of County Commissioners considers opportunities and options to pursue federal funding for important County projects, as well as federal policy issues that have the potential to impact Clackamas County. Staff from the Public and Government Affairs department works closely with Commissioners, the County Administrator, and affected county departments to develop strategies and approaches to pursue these opportunities. The County also utilizes the lobbying firm of Ball Janik to develop and implement strategies to accomplish county goals.

A Congressional Briefing Book, divided into sections for appropriations, policy, and informational items, is produced annually to convey the current federal priorities of Clackamas County. When staff and Commissioners meet with congressional delegation members and their staff, this briefing book can be used as a tool to convey important information regarding the county's federal priorities and issues.

### CONGRESSIONAL UPDATE

At the beginning of this current Session of Congress, there were high hopes that this Session would be the one where Congress quickly enacted an economic stimulus bill, got the annual appropriations process back on a timely track, reauthorized the expiring six-year surface transportation bill and the pending aviation reauthorization, enacted comprehensive health care legislation, addressed climate legislation, and in its spare time, also restructured the financial sector to ensure that the financial meltdown of 2008 didn't happen again. While significant focus has certainly been paid to the health care debate for a good portion of the year, progress has been slower than hoped in terms of appropriations, and has been close to a crawl in terms of the transportation reauthorization. Brief overviews of how these various issues are affecting Clackamas County follow:

## Stimulus funding

Congress passed the \$789 billion America Recovery and Reinvestment Act in mid-February of this year. Approximately 40 percent of the spending has now been obligated, but new opportunities for funding continue to become available on a weekly basis. Ball Janik is closely monitoring ARRA grant application deadlines and regularly communicates with Elissa Gertler about funding opportunities. In turn, Ms. Gertler and County staff have been particularly aggressive in applying for ARRA funds. Clackamas County has been awarded ARRA funding for public housing, weatherization, juvenile justice programs and youth job training. Additional funding opportunities for workforce training, various social services such as local policing, telecommunication and broadband expansion, housing, youth services, and a wide variety of other initiatives will continue to become available over the next year and we will continue to monitor these opportunities and provide funding announcements and upcoming deadline information to the County.

## Appropriations

We are nearing the endgame for the annual Appropriations process, and negotiations between the House and Senate Appropriations Committees on the remaining appropriations bills are making good progress. House Appropriations Committee Chairman David Obey was pressing to have all bills finished by Monday, November 16. There are currently seven unfinished FY10 Appropriations bills:

- Commerce-Justice-Science – Both the House and Senate have passed their versions of this bill. While it is technically ready to go to conference, conference proceedings have yet to begin.
- Defense – As with CJS, both the House and Senate have passed their versions and they are technically ready to go to conference.
- Financial Services – This bill has passed the House but has yet to be brought up by the Senate. The existence of bills like this one lends credence to the idea that some number of the outstanding bills will be combined together into some sort of “mini-bus” package and moved together.
- Labor-HHS-Education – Passed by the House, yet to be brought up by the Senate.
- MilCon/VA – Passed the House, currently being debated on the Senate Floor.
- State/Foreign Operations – Passed the House, yet to be brought up by the Senate.
- Transportation-HUD – Passed the House and Senate, technically ready to go to conference.

Of particular interest to Clackamas County is the status of the Commerce-Justice-Science bill. One of the County's three requests for this year was for the Interagency Methamphetamine Initiative, and Congressmen Blumenauer and Schrader were able to include **\$550,000** for this County priority within the CJS bill. There is no similar earmark in the Senate version of the bill, but we have

been working with the delegation to try to keep this number as high as possible coming out of conference.

The County's other two FY10 appropriation requests were \$875,000 for Working for Independence and \$500,000 for North Clackamas Revitalization Area Sewer Project. Unfortunately, these two projects have not been included in the pending appropriation bills.

### Transportation Authorization Update

The current surface transportation bill, known as SAFETEA-LU, expired on September 30 and the intent of Congress was to have a new six-year authorization in place by that time. Unfortunately, the focus by Congress on health care, climate change, and economic recovery has prevented them from adequately focusing on transportation issues.

The primary obstacle to passing new federal transportation legislation is a lack of funding. House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) has proposed and the Surface Transportation Subcommittee has marked-up, a \$500 billion, six-year authorization bill (albeit a bill without funding numbers, or even a formula to distribute the money), but the current rate of gas taxes in the U.S. leaves a funding gap of about \$140 billion. This funding gap, and the inability of Congress to focus on how to close it, has kept Chairman Oberstar from moving the reauthorization bill through the House.

A number of proposals for raising additional transportation revenue have been floated, but so far Congress has not moved forward on any of them. Neither Congress nor the administration is currently in the mood to consider an increase in the federal gas tax, and suggestions of other funding strategies, including implementing new per-barrel fees on imported oil or the enactment of a new tax on oil speculators and traders have not yet captured the full attention of the Ways and Means Committee in the House or the Finance Committee in the Senate.

As they prepared to move their bill, the House did send out a call for projects, and in response to this the County submitted one request, the Whiskey Hill Road Bridge Replacement (**\$6,057,672**), and supported ODOT's request for the Sunrise System Improvements (**\$30 million**). While the House requested projects, they have yet to include projects in their version of the bill.

In addition to the above two funding requests, on behalf of Clackamas County, we have also been working closely with Chairman Peter DeFazio and the Transportation and Infrastructure Committee staff, on various policy initiatives that will benefit Clackamas County in the future. We are particularly grateful that Subcommittee Chairman DeFazio has become a champion of "**Practical Design**" and is pushing to include language in the final reauthorization bill that will make it standard practice for State DOT's and others making transportation decisions to consider project impacts on community livability including ways that projects can be downsized and fit more appropriately into the community. Practical Design language is now included in the House version of the pending reauthorization bill.

While the House was trying to move their six year authorization bill, however, first the Administration, and then the Senate, both decided to instead push 18-month extensions in place of a full reauthorization. This approach would essentially put off the tough decision on how to fund a larger bill until after the 2010 mid-term elections.

Since expiration of the last bill, the surface transportation programs have been operating under short-term extensions (the current extension taking us until December 18).

Within transportation circles, every day seems to bring a different rumor on possible new moves that could break the House-Senate-Administration stalemate. The current rumor is that current record-high unemployment numbers are increasing the desire within both the administration and the Congressional leadership to move some sort of job creation bill, which could coincide with the need to fund transportation infrastructure. Last week, amid the dismal job numbers and reports that as many as 15 states are so cash-strapped as to not be able to meet the 20 percent match requirement for transportation funds, political circles were filled with talk of the need for a new infrastructure bill of some kind. Increasingly that discussion is turning to a possible front-loaded transportation bill, two or four years in length, with enough front-loaded general funds to produce higher transportation spending levels than currently available. Whether this is possible remains to be seen, but top Democrats in Congress and the White House clearly are searching for new answers to help speed up job creation in the wake of the double-digit unemployment.

While it is likely that a front-loaded two-year bill would not be seen as a substitute for a full reauthorization, it would probably significantly slow any progress on a long-term solution. It is also likely that a short-term front-loaded bill would not include high priority projects or various transportation policy reforms that are now included in the pending House bill. Priority projects and a variety of transportation reforms (many of them designed to provide greater autonomy over local project decision making and higher levels of funding for local and regional transportation priorities) are more likely to be included in a front-loaded four year bill, or a long-term six year authorization.

### **Opportunities Going Forward**

At the beginning of 2010, we will start the annual Appropriations season again, and we want to make sure you are aware of what sorts of projects Congress is generally looking upon favorably as you consider which projects the County may want to submit as FY11 appropriation priorities.

### **Law Enforcement**

Over the past few years, the County has been very successful at securing funding for their Interagency Methamphetamine Initiative. As mentioned earlier, the County currently has \$550,000 in the House Commerce-Justice-Science Appropriations bill for this project.

While the County has been successful with this project, there has been some talk internally about shifting our law enforcement focus to a different County priority. This could allow the County to highlight some of the other exciting things you are doing in this area.

The types of law enforcement projects which are typically funded are rather broad. Outside of efforts to combat methamphetamine, they include the purchase of new equipment, technology or communications upgrades and expanding or creating law enforcement programs (such as an initiative to reduce gun violence, or a focus on internet crimes).

### **Social Services**

As with the methamphetamine request, the past few years the County has requested funding for their Working for Independence project, and has had success with this project. The request, however, was not successful this year. If it remains a priority, the County could move forward with another request for WFI in FY11.

### **Renewable Energy and Sustainability**

Recently, more and more attention has been paid to energy efficiency, renewable energy projects and sustainability, and Congress has begun to earmark more and more funding for these types of projects. The types of projects that can be funded out of the Energy and Water Appropriations bill are varied, and typically between \$100,000 to \$750,000.

Among the types of projects included in the FY10 bill are funding for plug-in hybrid vehicles (or for charging stations for these vehicles), installations of solar roofs, weatherization, construction of biomass plants, geothermal energy projects, and the installation of energy efficient windows.

Given the County's established track record in green jobs and energy efficiency and your proposed CLEF program, it may make sense to request funding for one of the County's priorities in this area.

### **Water Projects**

The last two years the County has requested funding for the North Clackamas Revitalization Area Sewer project. That project has yet to receive federal funding. The account through which funding for this project is eligible (State and Tribal Assistance Grants through EPA) is an extremely competitive account.

### **Transportation**

The County has not had a transportation appropriations request for several years. We currently have two active transportation authorization requests (ODOT's Sunrise System and the Whiskey Hill Road Bridge). If the County has a transportation request that is ready, we may want to request a County transportation priority this year.

## **ARRA II?**

Discussions about a possible new jobs bill (i.e. Stimulus II) frequently mention infrastructure funding, including both transportation and water and sewer infrastructure development. While a second package is still in the developmental phase, if anything moves, it is likely to happen in late December or perhaps early January. Ball Janik will continue to closely monitor developments associated with this funding proposal and provide regular updates to the County about ways it can best take advantage of the funding should it materialize.

## **Telecommunications/Broadband Access/Net Neutrality**

Congressional action on net neutrality has been relatively quiet this Session of Congress, but the Federal Communications Commission (FCC) voted in late October to begin crafting rules to prevent Internet providers from acting as the gatekeepers over which services and content they deliver to certain customers. This is the agency's surest step yet toward regulating the rules of the road online. Congress is likely to closely monitor this rule making and if deemed inadequate to assure net neutrality, the current Congress is likely to take up this issue legislatively – an issue that the county has expressed particular interest in the past.

On a related front, Recovery Act (stimulus) funding in the amount of \$7.2 billion is being made to provide broadband grants to communities not now provided with adequate service. Clackamas County submitted a request for \$5.5 million through the Broadband Technologies Opportunities Program. In response to criticism about complicated rules which make it difficult to get the funding spent quickly, the Obama administration announced on November 11, that it will streamline the application process for this funding. A second and third round of grant making (worth some \$3+ billion) and focused on rural broadband access is likely to be move forward quickly as soon as the streamlining review is completed. This funding may provide a unique opportunity for the County to seek funding which would permit expanded broadband access for rural residents of the County.

## **QUESTION(S) PRESENTED FOR CONSIDERATION**

Which federal issues does the board want to establish as priorities for the coming year? Are there additional issues that require further research or consideration before finalizing the County's Federal Agenda prior to the March DC visit?

## **OPTIONS AVAILABLE**

- Identify proposed federal priorities for appropriation, policy and support
- Delay identifying proposed federal priorities for appropriation, policy and support
- Direct staff to investigate or research additional issues for consideration prior to finalizing federal agenda in January