



STAFF REPORT
Board Meeting of April 21, 2021

AGENDA ITEM: 5-A

PREPARED BY: Patricia Taylor, Executive Director

SUBJECT:

American Jobs Plan, Community Project Funding, and INVEST in America Act

Enclosure: Yes

Action: Information and Discussion Only

SUMMARY:

At the April 21, 2021 Policy Board meeting, MCTC staff provided details of the American Jobs Plan and INVEST in America Act. Below is an update on the American Jobs Plan, Community Project Funding, and INVEST in America Act.

1. American Jobs Plan:

President Joe Biden on March 31, 2021, introduced the American Jobs Plan of 2021. The plan requests \$2.3 trillion over eight years to modernize the nation's infrastructure. This infrastructure plan includes roads, bridges, and ports, but also addresses resiliency, the climate crisis, broadband access, waterways, and housing. To pay for the plan, the president suggests a corporate tax hike over 15 years, among other modifications to the tax code.

President Biden has called on Congress to enact the American Jobs Plan to create jobs, rebuild the country's infrastructure and position the United States to compete against China. The plan is likely to change and meet resistance as Congress develops legislation over the weeks and months ahead. Speaker Pelosi has said that she wants to pass the package by July 4, 2021, it is likely to slip late into the summer or early fall.

The *American Jobs Plan* is currently a proposal and early in the process; therefore, a lot could and probably will change between now and when Biden's plan is officially introduced in the House as a bill. Congress is expected to unveil its infrastructure proposals later this month. In addition, there will be a lot of rounds of negotiations between the House and Senate to get a final product. Until we know more, there are three potential rough scenarios for how Biden's \$2.3 trillion infrastructure bills could become law.

1. Budget Reconciliation Bill

2. Pass multiple Budget Reconciliation Bills
3. Democrats and Republicans work together to pass a bipartisan surface transportation reauthorization bill (FAST Act expires September 30, 2021). This bill comes up every five years. House and Senate committees are currently working on this reauthorization bill, as well as a water infrastructure bill. Then, Democrats could still use reconciliation to pass the remaining elements of Biden's infrastructure and jobs plan.

2. Community Project Funding Requests – Appropriations Committee

The opportunity to apply for Community Project Funding was issued by the House Appropriations Committee. Under guidelines issued by the Appropriations Committee, each Representative may request funds for up to 10 projects in their community for Fiscal Year 2022. Projects are restricted to a limited number of federal funding streams, and only state and local governments and eligible non-profit entities are permitted to receive funding. Funding is intended for smaller infrastructure projects, less than \$5,000,000. Congressman Jim Costa has submitted funding requests for important community projects in California's 16th Congressional District to the House Appropriations Committee. Two projects in Madera were included in the submittal. Those two projects are as follows:

- City of Madera Avenue 13 Sewer Trunk Main Rehabilitation - \$5,000,000
- Madera Unified School District, English Language Learner Post-Pandemic Project - \$625,150

Project submittals for California's 16th Congressional District can be found by accessing this link: [Costa Community Project Funding Requests](#)

3. INVEST in America Act

The House released Investing in a New Vision for the Environment and Surface Transportation in America (*INVEST in America*) Act in June 2020. This is a 5-year, \$494 billion investment to get the existing infrastructure working again and fund new, transformative projects that will create millions of jobs and support American manufacturing and ingenuity while reducing carbon pollution, dramatically improving safety, and spurring economic activity. It is investing in infrastructure that is smarter, safer, and made to last.

The current federal surface transportation bill is called, "FAST Act" – Fixing America's Surface Transportation Act. FAST Act was set to expire on September 30, 2020 and has been extended through September 30, 2021. Therefore, FAST Act expires on September 30, 2021. This is separate from the American Jobs Plan.

The House Committee on Transportation and Infrastructure aims to move forward with surface transportation reauthorization later this year. Chairman Peter DeFazio has announced that the House Committee on Transportation and Infrastructure will formally accept request for projects from House Members.

Projects funded through the surface transportation authorization will be funded directly from the Highway Trust Fund, and they do not require a separate or subsequent appropriation. This process is separate from the House Committee on Appropriations' process from considering Community Project Funding requests (listed above). As you are aware, MCTC staff has been working with Congressman Costa and his staff in identifying projects to be considered should federal funding become available. The project in Madera submitted to the House Transportation and Infrastructure Committee by Congressman Costa is as follows:

- SR 99 Madera South – Operational Improvement Project - \$10,000,000

It should be noted, we needed to scope a portion of the project for \$10 million. The submitted project is an additional two-mile-long southbound lane and includes state funds in the amount of \$6.9 million (SHOPP) to rehabilitate the other two lanes. Total project cost is \$16.9 million. This is a submittal and not guaranteed; however, it is a step in the right direction and demonstrates Congressman Costa's support.

MCTC staff requested a letter of support from CalSTA and Caltrans for the purposes of Congressionally Directed Surface Transportation Project Funding. The request for a letter of support was for (1) SR 99 Madera South and (2) SR 41 Expressway project. Caltrans denied a letter of support citing that the two projects are not in alignment with statewide goals. The projects were considered "widening" projects by Caltrans and CalSTA; therefore, denied a letter. CalSTA and Caltrans provided guiding principles, and both projects in Madera align with those principles (attached). This denial is of great concern. MCTC staff prepared the attached letter to Secretary David Kim, expressing disappointment in not supporting its prior commitment and support for SR 99.

Project submittals for California's 16th Congressional District can be found by accessing this link: [Costa Member Designated Transportation Projects](#)

To summarize, it is anticipated that the American Jobs Plan may be released as a bill late summer. The most likely path for passage is through reconciliation legislation. This blurs the line between the American Jobs Plan and INVEST in America Act (reauthorization). The reconciliation process makes it complicated to know what the bill will contain. It cannot create new policy and must have a budgetary impact. As a result, this would mean no reauthorization and no gas tax increase. Things to consider: (1) this is a proposal and only the first draft. Congress is expected to unveil its infrastructure proposals later this month; (2) what is the congressional appetite for another reconciliation (the American Rescue Plan was a reconciliation) and multi-trillion-dollar bill? It should be noted, this is NOT the reauthorization of the transportation bill. It is probable that the FAST Act reauthorization gets extended before the expiration deadline of September 30, 2021 and pushed into next federal fiscal year. However, close monitoring of all action on the Hill is necessary.

FISCAL IMPACT:

No fiscal impact to the approved 2020-21 Overall Work Program and Budget.