



**STAFF REPORT**  
Board Meeting of April 21, 2021

**AGENDA ITEM:** 5-D

**PREPARED BY:** Patricia Taylor, Executive Director

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**SUBJECT:**

American Jobs Plan – INVEST in America Act

**Enclosure:** Yes

**Action:** Information and Discussion Only

**SUMMARY:**

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 includes provisions on wages for essential home care workers, job training, public school buildings, and lead pipe replacement. The ambitious 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. Here is a link to a summary of the plan:

<https://narc.org/2021/04/01/biden-infrastructure-plan-summary/>

MCTC staff presented preliminary information at its March Policy Board meeting anticipating a quick turnaround in response to the proposed announcement. Staff indicated that "earmarks" may be returning for infrastructure projects. House Transportation and Infrastructure Committee Chairman Peter A. DeFazio is providing an opportunity for Members to submit requests for highway and transit designations.

The following has transpired, not necessarily limited to, since the last MCTC Policy Board Meeting:

1. CalSTA and Caltrans announced its process to request a letter of support from its agency for Congressionally Directed Surface Transportation Project Funding. CalSTA and Caltrans held a meeting on March 22<sup>nd</sup> to discuss its guiding principles and questionnaire for supporting locally sponsored projects with a deadline of March 24<sup>th</sup>.

2. MCTC staff reached out to its local partners, including Caltrans District 6 to assist in the process of filling out the required questionnaire.
3. MCTC staff prepared its package and letter (attached) requesting a letter of support from CalSTA/Caltrans for three Madera regional projects: (1) SR 99 Madera South; (2) SR 41 Expressway; and (3) Madera Amtrak Relocation. Letters of support were also gathered and included in the package submitted to CalSTA/Caltrans (attached).
4. Congressman Costa's office released its Community Project Funding Resource Guide on March 25<sup>th</sup>. The guidance provided a link for stakeholders to submit their initial projects by April 2<sup>nd</sup>.
5. MCTC staff responded to the link provided by Congressman Costa's office for the SR99 Madera South project. County staff submitted for SR 41 Expressway, and SJJPA submitted for Amtrak Relocation.
6. MCTC staff met with Congressman Costa, Caltrans District 6, Supervisor Poythress, and Congressman Costa's staff on April 6<sup>th</sup> to discuss SR99 Madera South project.
7. County of Madera Staff met with Congressman Costa, MCTC staff, Caltrans District 6, developers, and interest groups concerning SR 41 Expressway on April 6<sup>th</sup>.
8. MCTC staff was notified by Caltrans District 6 that CalSTA/Caltrans has denied MCTC's request for a letter of support for SR99 Madera South and SR41 Expressway projects. The reason for denying the request is because the projects do not align with the current statewide transportation goals.
9. MCTC staff has had several calls with Congressman Costa's staff, including an additional call with Congressman Costa on April 9<sup>th</sup>.

#### What's Next?

- MCTC staff is working with Caltrans District 6 staff to develop a lower cost estimate for construction for the SR99 Madera South project. The current estimated construction cost is \$121,500,000. Caltrans District 6 will look at the possibility of phasing the project and the potential of identifying State Highway Operation and Protection Program (SHOPP) funding. Caltrans plans to have an estimate available by the end of April.
- MCTC staff will continue to communicate with Congressman Costa's office as information is developed and released. The process continues to evolve.
- MCTC staff will review the federal RAISE (formerly BUILD and TIGER) Grant when the NOFO is released at the end of April.
- MCTC staff will continue to monitor the American Jobs Plan and the INVEST in America Act for potential funding opportunities.

In summary, there are a couple of processes happening and unfolding at the same time. President Biden released his American Jobs Plan, as noted above; however, passing the plan is complex. There are three main scenarios for how Democrats could possibly pass the

infrastructure package, including the \$2.3 trillion American Jobs Plan, and a forthcoming second plan focused on childcare, health care, and other priorities.

In addition, the House is working on a new transportation infrastructure bill. Fixing America's Surface Transportation Act (FAST Act) is set to expire on September 30, 2021. 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. This is separate from the American Jobs Plan.

*American Jobs Plan*: it is very early in the process, and a lot could and probably will change between now and when Biden's plan is officially introduced in the House as a bill. 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.

In conclusion, 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; (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.