



Minneapolis
City of Lakes

City of Minneapolis: Intergovernmental Relations Committee

The State of Play in Federal Affairs

November 12, 2015

The Federal Budget Deal

Overview

- Bipartisan Budget Relief Act of 2015
- The 2-year deal that sets funding levels for FY 2016 and FY 2017
- Debt limit suspended until March 2017, avoiding threat of default
- Raises sequestration caps by \$80 billion
 - Additional \$50 billion in 2016 and \$30 billion in 2017
 - Split evenly between Domestic and Defense spending
- Cuts include curbing Medicare payments for outpatient services, drawdown from the Strategic Petroleum Reserve, and savings from a DOJ fund for crime victims using seized assets from criminals

The Federal Budget: Looking Ahead

Next Steps

- Appropriations Committees must pass legislation to reflect new spending by December 11, 2015 when the CR expires
- The Appropriations Committee is dividing increases among the 12 individual appropriations bills
 - These were drafted during the summer and fall
 - Committee now negotiating how to allocate additional funding from the Budget deal
 - While some (like Defense) may move independently, it is likely that many will be grouped together in an Omnibus bill

The Federal Budget: Potential Obstacles

Policy Rider Forecast

- Spending bills often become vehicles to take ideological stances on various issues. Possible riders on the table:
 - Environmental regulations
 - Sanctuary Cities
 - Banking Reform
 - Planned Parenthood
- These will likely complicate, but not derail the process
- Members need to blow off steam and score political points
- Republican Senators are saying that they want to stop jumping up and down on the same landmine

Implications for Minneapolis

Projected Outcomes

- Better funding levels for domestic programs
- Slightly more predictability in Congress
 - Congress has shown it can step back from the brink, which sets a positive course going into negotiations
- Less drama until after elections next year

The Transportation Bill

Status Update

- Currently in Conference
- 6-year bill with 3+ years of funding
 - Possibility of becoming a 5-year bill with full funding
- No major changes to existing MAP 21
 - A few policy tweaks
 - Battle brewing over diversion of bus funding to mass transit in “high-density” areas (i.e. Northeast)
- Both House and Senate bills include Freight Rail Safety Provisions
 - Extended PTC deadline by 3 years
 - Senate bill is stronger than the House bill on issues like requiring advanced shipment information to local first responders

House vs. Senate Funding Comparison

	MAP-21	STRR Act - House Proposal					
	FY 2015 (Millions)	FY 2016 (Millions)	FY 2017 (Millions)	FY 2018 (Millions)	FY 2019 (Millions)	FY 2020 (Millions)	FY 2021 (Millions)
Total FTA Program Funding*	10,689.0	10,898.5	11,092.4	11,316.6	11,543.9	11,779.4	12,015.1
§ 5307 Urbanized Area Formula Grants	4,458.7	4,458.7	4,458.7	4,549.2	4,640.1	4,734.7	4,829.4
§ 5309 Capital Investment Grants	1,907.0	2,029.0	2,065.0	2,106.0	2,149.0	2,193.0	2,237.0
§ 5310 Seniors and Individuals with Disabilities	258.3	262.2	266.8	272.3	277.7	283.4	289.0
§ 5311 Rural Area Basic Formula	607.8	607.8	607.8	620.1	632.5	645.4	658.3
§ 5337 State of Good Repair	2,165.9	2,198.4	2,237.5	2,282.9	2,328.6	2,376.1	2,423.6
§ 5339(c) Bus and Bus Facilities Formula	427.8	430.0	431.9	445.1	458.5	472.3	486.2
§ 5339(d) Bus and Bus Facilities Competitive Grants	0.0	90.0	200.0	200.0	200.0	200.0	200.0
§ 5339 Total Bus and Bus Facilities Funding	427.8	520.0	631.9	645.1	658.5	672.3	686.2

	MAP-21	DRIVE Act - Senate Proposal					
	FY 2015 (Millions)	FY 2016 (Millions)	FY 2017 (Millions)	FY 2018 (Millions)	FY 2019 (Millions)	FY 2020 (Millions)	FY 2021 (Millions)
Total FTA Program Funding*	10,689.0	11,633.5	11,882.2	12,244.1	12,720.3	13,036.2	13,361.0
§ 5307 Urbanized Area Formula Grants	4,458.7	4,538.9	4,639.1	4,794.6	4,975.9	5,101.4	5,230.4
§ 5309 Capital Investment Grants	1,907.0	2,301.8	2,352.6	2,406.1	2,464.1	2,526.2	2,590.1
§ 5310 Seniors and Individuals with Disabilities	258.3	263.5	269.3	275.4	288.3	295.5	303.0
§ 5311 Rural Area Basic Formula	607.8	620.0	633.6	648.1	678.3	695.4	713.0
§ 5337 State of Good Repair	2,165.9	2,428.3	2,479.7	2,533.9	2,592.5	2,655.4	2,720.0
§ 5339(a) Bus and Bus Facilities Formula	427.8	430.8	440.3	495.3	585.9	605.4	625.5
§ 5339(b) Bus and Bus Facilities Competitive Grants	---	180.0	125.0	130.0	135.0	135.0	135.0
§ 5339(c) Low or No Emission Grants	---	n § 5339(b)	55.0	55.0	55.0	55.0	55.0
§ 5339 Total Bus and Bus Facilities Funding	427.8	610.8	620.3	680.3	775.9	795.4	815.5

Evolving Policies: Federal Agencies

Status Update

- Department of Housing and Urban Development
 - Promise Zones Opportunity – ever evolving; unclear what legacy will be left behind within a new Administration
 - New Fair Housing Rule
 - RAD Opportunity
 - Federal Housing Finance City Initiative
- Department of Transportation
 - Joint Development opportunity

What's Ahead?

Legislative Forecast

- Continued attacks on the Affordable Care Act
- Possible passage of an Education bill
- Possible passage of tax extenders
- Passage of the FY 2016 Defense Authorization Bill
- Fate of immigration executive actions