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Monthly Legislative Report - April 2025

Advocacy Meetings

Office of Congressman Mike Levin (D-CA) – We followed up with Rep. Levin's staff regarding the Orange County Transportation Authority's (OCTA) Community Project Funding (CPF) request for the Interstate 5 (I-5) Improvement Project between the Avenida Pico interchange and the San Diego County Line. The project will reduce traffic congestion and provide intercounty connectivity between Orange County and San Diego County.

Office of Congresswoman Young Kim (R-CA) – We worked with staff to facilitate submission of the I-5 Improvement Project between Yale Avenue and State Route 55 (SR-55) CPF request for OCTA.

Office of Congresswoman Linda Sanchez (D-CA) – We facilitated the submission of the Orange County (OC) Loop Project CPF request for OCTA and followed up with staff to provide support letters and additional information on the project's funding history.

Congressman Derek Tran (D-CA) – We facilitated the submission of the State Route 57 (SR-57) Improvement Project between Lambert Road and the Orange County Line CPF request for OCTA and followed up with staff.

Congressman David Min (D-CA) – We helped submit OCTA's CPF request to support the deployment of advanced technology upgrades to signals throughout Orange County. We also met with the staff to provide additional information regarding OCTA's board adopted Surface Transportation Reauthorization legislation principles, and we are scheduling a follow up call in May to discuss possible legislative language that would restore local suballocation authority for Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) funds.

Congressman Lou Correa (D-CA) – We helped submit OCTA's CPF request to support the State Route 91 (SR-91) Improvement Project between Acacia Street and La Palma Avenue. We also met with staff to discuss OCTA's Surface Transportation Authorization principles and requests to include the restoration of local suballocation authority for STB and CMAQ funds. In a separate meeting, we also discussed possible appropriations funding to help the Southern California region prepare for the 2028 Olympic and Paralympic Games.

Office of Senator Adam Schiff (D-CA) – We helped facilitate a Congressionally Directed Spending (CDS) request for funding to expand OCTA's Rideshare Vanpool Program in Orange County with an all-electric option and followed up with staff regarding additional support letters and information. We also followed up with the office on submitting OCTA's Surface Transportation Reauthorization principles to their office portal.

Office of Senator Alex Padilla (D-CA) – We helped facilitate a CDS request for funding OCTA's *Alternative Fuel Paratransit Bus Pilot* program and followed up with staff regarding

additional support letters and information. We also discussed with staff support for additional federal transportation funding to help the Southern California region prepare for the 2028 Olympic and Paralympic Games.

House Transportation & Infrastructure (T&I) Subcommittee on Highways and Staff – We met with subcommittee staff several times this month to discuss OCTA's surface transportation reauthorization requests and the timing for a potential markup of the bill. We also discussed possible language for the legislation that would restore local suballocation authority for STBG and CMAQ funds. We also discussed preservation of tolling policies that allow for locally driven reinvestment of toll revenues into transportation systems.

Senate Banking Committee, Minority Staff – We followed up Minority staff to discuss reforms to simplify the application processes and ensure a more equitable and balanced distribution of discretionary transit funding.

Senate Environment and Public Works Committee, Majority Staff – We followed up with the committee staff to discuss the Surface Transportation Reauthorization legislation in the Senate following the April 2nd Committee hearing where Secretary Duffy testified on U.S. Department of Transportation's (USDOT) principles for the reauthorization, which echoed Chair Capito's (R-WV) principles. We also followed up with the committee staff to discuss the importance of the CMAQ program to achieving air quality goals.

House T&I Subcommittee on Railroads Majority Staff – We followed up with committee staff to discuss reforms to expedite environmental reviews and federal approvals for rail projects.

Budget Reconciliation Update for April

Congress returned from a two-week Spring Recess on April 28th, 2025. House and Senate leadership continue to focus on passing their respective budget reconciliation packages that will fund the Trump Administration's domestic priorities. Prior to leaving for their two-week recess, both the House and Senate adopted their budget resolutions, the prelude to committees being able to markup reconciliation bills that will cut spending and make specific tax cuts permanent. Once all the relevant House Committees markup their portion of the reconciliation bill, House Speaker Mike Johnson indicated that the House currently plans to bring their reconciliation bill to the House Floor the week of May 19, 2025, prior to Congress adjourning for the Memorial Day holiday.

House Republicans have sought to work out additional details before public-facing committee markups begin. Speaker Mike Johnson is managing opposition from both fiscal conservatives and moderates in his party. To overcome initial opposition from some House Republican members, he is targeting approximately \$1.5 trillion in funding cuts. An April 14 letter from other more moderate Republican members said they could not support a bill with the proposed \$880 billion in cuts to Medicare and Medicaid. To try and balance these issues, the idea of a tax increase on incomes over \$1 million was proposed by some Congressional Republicans but has been largely rejected by GOP leadership.

The House markup schedule currently is as follows:

Armed Services: April 28; *Committee Print Passed 35-21* Homeland Security: April 28 *Committee Print Passed 18-14* Education and Workforce: April 28 *Committee Print Passed 21-14* Financial Services: April 30 *Committee Print Passed 30-22* Oversight and Government Reform: April 30 *Committee Print Passed 22-21* Judiciary: April 30 *Committee Print Passed 23-17* Transportation and Infrastructure: April 30 *Committee Print Passed 36-30* Agriculture: Week of May 5 Energy and Commerce (Medicare/Medicaid): May 7 Ways and Means (Taxes): Later in May

Providing additional incentive for Congress to move quickly on reconciliation, Treasury is close to finalizing when the US will hit the debt limit (which is likely late August) and begin to default on its financial obligations. The debt limit was suspended from 2023 to January 2, 2025, at which point it had been exceeded, and the Treasury began taking "extraordinary measures" to keep the US from default. The economic consequences of hitting the debt ceiling would be severe, and as such, it is a significant motivating factor for Republicans to push reconciliation forward quickly and include some remedy for the debt ceiling.

House T&I Committee Marks up Budget Reconciliation

At the end of the month, the House T&I Committee approved its budget reconciliation proposal, which combines additional funding for border and national security and for improving America's air traffic control system with other deficit-reducing provisions that could provide a targeted net reduction of more than \$10 billion.

A manager's amendment offered by Chairman Graves was approved by a vote of 36-30. This manager's amendment made technical changes, removed a \$20 vehicle registration fee, and increased the Electric Vehicle (EV) fee to \$250 (while retaining the \$100 hybrid fee).

Included in the amendment that rescinded unobligated funds for Inflation Reduction Act (IRA) and Bipartisan Infrastructure LAW (BIL) programs to include:

- Neighborhood Access and Equity Grants;
- Environmental Review Implementation Funds;
- Low-Carbon Transportation Materials Grants under the Federal Highway Administration;
- Assistance for Federal Buildings, Use of Low-Carbon Materials, and Emerging Technologies funding under the General Services Administration (GSA).
- The Federal Aviation Administration's (FAA's) Alternative Fuel and Low-Emission Aviation Technology Program.

More information from the Committee markup can be found here.

House T&I Committee Hearings on Surface Transportation Reauthorization

Like the Senate EPW committee's hearing on April 2nd, the House T&I Committee held two hearings to discuss their principles for the Surface Transportation Reauthorization. The first hearing on April 9th focused on mass transit policies and programs. The full hearing and witness testimony documents are available <u>here</u>. The second hearing on April 29th focused on the need for a long-term solution to the Highway Trust Fund. The full hearing is available <u>here</u>. We are expecting in May for the Secretary of Transportation to testify at both a T&I hearing as well as an Appropriations hearing regarding the President's Budget.

President Trump Releases his Fiscal Year 2026 "Skinny" Budget

President Trump sent his first proposed budget to Congress for FY26. The budget is unofficially called a "skinny" budget, since it doesn't have all the usual details, which are said to be forthcoming. However, the budget does outline major cuts that include the following:

- Proposes a \$163 billion (22.6%) overall reduction in discretionary spending compared to FY25.
- \$175 billion for border security.
- Significant reductions to major HUD programs.
- 13% increase in Defense spending (\$1.01 trillion)
- Major reductions in HHS spending (LIHEAP, CSBG, HSRA, NIH, SAMHSA, etc.)
- Requests increased spending in all major USDOT accounts.
- Requests defunding Economic Development Administration and the elimination of the Minority Business Development Agency (MBDA).

Most of the budget documents covers FY26 annual discretionary spending budget. It does not include mandatory spending, such as for entitlement programs where statutory eligibility changes would be needed for cuts, which will be dealt with in the Budget Reconciliation Bill.

Transportation was among the few areas not cut. The 5.8% increase appears to reflect a status quo assuming the last year of the 5-year IIJA funding in FY26.

A link to the official White House document can be found here: <u>The President's FY 2026</u> <u>Discretionary Budget Request – OMB – The White House.</u>

House Joint Resolutions Targeting Environmental Regulations

At the end of the month, the House considered and passed five joint resolutions that would vacate actions of the Biden administration, including three that would nullify waivers, not historically considered rules, allowing California to set its own vehicle emissions standards. One measure (<u>H.J.Res 88</u>) from Congressman John Joyce (R-PA) would block the

Environmental Protection Agency (EPA) waiver that allows California to finalize a rule that would effectively phase out the sale of new gasoline-powered cars by 2035. Because other Democratic-led states voluntarily adopt California's standards, Republicans say the waiver effectively allows California to dictate the national standard.

A joint resolution (<u>H.J.Res 89</u>) from Congressman Jay Obernolte (R-CA) would block California's waiver from the EPA to set stricter nitrogen oxide engine emission standards. The next resolution (<u>H.J.Res 87</u>) from Congressman John James (R-MI) would block the EPA's waiver allowing the state to set stricter emissions standards on heavy-duty vehicles. The other two joint resolutions target more traditional rules. A joint resolution (<u>H.J.Res 78</u>) introduced by Congressman Doug LaMalfa (R-CA) would nullify a rule the U.S. Fish and Wildlife Service finalized last July that listed a population of longfin smelt in the San Francisco delta as endangered under a 1973 law (<u>PL 93-205</u>). The fifth joint resolution (<u>H.J.Res 60</u>) from Congresswoman Celeste Maloy (R-UT) would nullify a rule from the National Park Service that revised rules for off-road vehicles to prohibit their use in certain areas of the Glen Canyon National Recreation Area in Utah and Arizona.