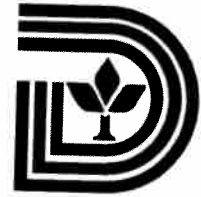


Memorandum



CITY OF DALLAS

DATE June 11, 2009

TO Members of the City Council Legislative Ad Hoc Committee: Vonciel Jones Hill, Chair; Dr. Elba Garcia; Linda Koop; Pauline Medrano; Ron Natinsky; Dave Neumann; Mitchell Rasansky; and Steve Salazar

SUBJECT Federal Legislative Update

On Monday, June 15, 2009, Ralph Garboushian (McCall Associates) will provide you with a federal legislative update via conference call. Mr. Garboushian works for Barbara McCall, who will be out of town and unavailable to participate. Attached are the briefing materials for you to review prior to Monday's discussion.

Please contact me if you have any questions.

A handwritten signature in black ink, appearing to read 'Mary K. Suhm'.

Mary K. Suhm
City Manager

**City of Dallas
Federal Update
June 15, 2009**

The first session of the 111th Congress began with a torrid pace, with legislators sending President Obama numerous bills, including several of interest to local governments:

- A \$787 billion stimulus bill (PL 111-5),
- the FY 2009 omnibus appropriations bill (PL 111-8) and
- Foreclosure prevention legislation (PL 111-22).

Looking ahead, President Obama and the congressional leadership aim to maintain that pace, publicly stating that before adjourning for the month-long August congressional recess they want:

- House and Senate passage of climate change/ energy legislation;
- House and Senate passage of health care reform; and
- Final passage of a FY 2009 supplemental appropriations bill to fund military operations in Iraq and Afghanistan and pandemic flu programs.

The House leadership also wants to pass all 12 FY 2010 appropriations bills, legislation to reauthorize federal surface transportation programs and an overhaul of the financial regulatory system before members decamp for summer break.

American Recovery & Reinvestment Act (ARRA)

The \$787 billion stimulus act includes \$487 billion in supplemental FY 2009 spending, including funding for a number of core local government programs. To date, most formula allocations have been announced.

Formula funding directly allocated to the City of Dallas to date includes:

- Community Development Block Grant – \$4.7 million;
- Internet Crimes Against Children - \$776,503;
- Homeless Prevention and Rapid Re-Housing - \$7.1 million;
- Energy Efficiency & Conservation Block Grant - \$12.7 million; and
- Byrne Justice Assistance Formula Grants - \$7.1 million.

In addition, highway, transit, public housing and school funds have been allocated to other agencies serving Dallas, including funds to expedite completion of the DART Green Line. In the coming months, federal agencies will decide how to allocate funding from a wide array of competitive grant programs in areas such as transportation, law enforcement, broadband deployment, housing and energy.

City of Dallas staff is monitoring federal agency announcements daily and has already submitted applications under several stimulus competitive grant programs. The City Council will be provided with an ARRA update in August.

FY 2009 Appropriations

Congress completed work on FY 2009 appropriations bills in March, almost halfway through the fiscal year. Most programs of interest to local governments saw steady funding or slight increases (details at <http://www.capitaledge.com/funding.pdf>). The congressional delegation secured FY 2009 funding for:

- Dallas Floodway Extension - \$13 million;
- Upper Trinity River - \$574,000;
- IIPOD Job Training - \$186,000; and
- Early Childhood & Family Literacy Program - \$214,000.

Surface Transportation

Federal highway and transit programs expire in September. All industry observers agree that Congress will aim for an overhaul of these programs, with an eye towards increased funding, program consolidation and mode-neutrality as well as a focus on sustainability and the environment. Financing presents a major challenge: the Highway Trust Fund faces insolvency at current spending levels and the options for increasing revenue (increased gas tax, vehicle-miles traveled tax) are unpopular and face stiff opposition.

The reauthorization of federal highway and transit programs presents Members with an opportunity to secure funding for “high priority projects” in their districts. Representative Eddie Bernice Johnson, a senior member of the Transportation & Infrastructure Committee, submitted the following City projects:

- I-30 Margaret McDermott Bridge;
- S.M Wright Freeway; and
- Dallas Streetcar System Phase I.

House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) has vowed to get a reauthorization bill through the House before July 4th and to send President Obama a final bill before the end of the fiscal year, saying he will not entertain a short-term extension of highway and transit funding. However, his Senate counterparts, Environment & Public Works Committee Chairman Barbara Boxer (D-CA) and Banking Committee Chairman Christopher Dodd (D-CT), have made no public signals that they share Oberstar’s urgency and have indicated they have other priorities for this summer.

FY 2010 Appropriations

The House Appropriations Committee has begun consideration of FY 2010 appropriations bills and the Committee leadership hopes to obtain House passage of all 12 bills before the August recess. The Senate Appropriations Committee has a slightly less ambitious schedule, but it appears likely that Congress will complete work on FY 2010 spending before the fiscal year begins. With appropriators working with a discretionary spending cap that is \$73 billion above the FY 2009 level, most programs of interest to local government will not face any threats.

Climate Change/Energy

The House Energy & Commerce Committee completed work on legislation (HR 2454) that would create a cap-and-trade regime designed to incrementally reduce greenhouse gas emissions to 17 percent of 2005 levels by 2050. The bill would also mandate that 20 percent of the nation's electricity come from renewable resources by 2020, up from the current level of 3 percent and would set efficiency standards for a wide array of consumer products. Of particular interest to local governments, the bill would require metropolitan planning organizations serving more than 200,000 people to set goals and implement plans for reducing transportation-related greenhouse gas emissions and would mandate the creation of a model national building code designed to reduce greenhouse gas emissions from buildings. The bill is a White House priority and the House leadership wants to complete work on the bill before August.

In the Senate, the Energy & Natural Resources Committee continues its weeks-long consideration of an unnumbered comprehensive energy bill with a 15 percent by 2020 renewable electricity mandate. This bill also includes provisions designed to put the nation on a path towards more efficient buildings and appliances.