



2015 NATIONAL
CONFERENCE OF REGIONS

FEBRUARY 8-10, 2015
WASHINGTON, DC

EXECUTIVE BRIEF

Dear NARC Members,

This morning, President Obama released his fiscal 2016 budget request to Congress, totaling \$4.066 trillion. The budget proposal would use a combination of tax changes and increases, along with changes to spending programs, to repeal the sequester, which was established under the 2011 deficit law, and reduce deficits by \$1.8 trillion over 10 years. Overall discretionary spending in fiscal 2016 is increased by seven percent, or \$268 billion, split evenly between defense and non-defense programs. Transportation is a big beneficiary, as the Budget includes a \$478 billion, six-year surface transportation reauthorization proposal paid for with revenue from business tax reform. The proposal also includes an expansion of the U.S. Department of Housing and Urban Development's (HUD) Promise Zone Initiative.

Unfortunately, some programs that NARC supports are on the chopping block, including proposed cuts to HUD's Community Development Block Grant program. The budget proposal also consolidates the National Preparedness Grant program at the U.S. Department of Homeland Security.

Click [HERE](#) for NARC's preliminary analysis of the budget, which we will update as we get more information. Click [HERE](#) for the White House's Fact Sheet on the budget.

See you next week at the National Conference of Regions!

Thanks,
Joanna Turner

LEGISLATIVE UPDATE

Congress is in session.

Senate to Vote on Cloture for the Homeland Security Appropriations Bill: Last Friday, Senate Majority Leader Mitch McConnell (R-KY) filed cloture on the House-passed FY 2015 *Homeland Security Appropriations Bill* ([H.R. 240](#)). Under the current agreement, the Senate will vote to invoke cloture on Tuesday, February 3. Senate Democrats have indicated they will oppose the cloture motion because of policy riders attached to the bill that would prevent implementation of the President's executive actions related to immigration. Current funding for the U.S. Department of Homeland Security expires at the end of February.

Senate Passes Legislation to Approve Keystone Pipeline: Last week by a bipartisan vote of 62-36, the Senate passed [S. 1](#), the *Keystone XL Pipeline Act*, which grants immediate Federal approval for the project. The Senate considered dozens of amendments, including a version of the Shaheen-Portman energy efficiency bill, which passed [94-5](#). That measure creates a "tenant star" energy efficiency program for commercial buildings that aims to reduce energy consumption, requires energy efficient improvements at federal buildings, and promotes smart-meter water heaters. Last month, the House passed similar legislation ([H.R. 3](#)). To become law, the House must pass the Senate-amended version or a House-Senate conference must negotiate a compromise. The White House reiterated the

President's earlier [veto warning](#). Current reports indicate that Congress does not have enough votes to override a Presidential veto.

Senators to Introduce Infrastructure Funding Proposal: Today, Senators Rand Paul (R-KY) and Barbara Boxer (D-CA) announced that they will introduce legislation to reduce the tax rate on repatriated corporate earnings and commit the resulting tax collections to funding transportation projects. To encourage corporations to bring overseas earnings back onshore, the *Invest in Transportation Act* would reduce the tax rate on those earnings from 35 percent to 6.5 percent. That could bring as much as \$2 trillion in earnings back to the U.S. according to Senators Paul and Boxer, and the taxes collected on the repatriated dollars would be committed to infrastructure. The proposal has potential political viability because it does not involve a tax increase, just taxes collected on dollars otherwise parked overseas. There is also significant political opposition to the tax holiday idea, as expressed by Senate Finance Committee Chairman Orrin Hatch (R-UT), whose committee will have final say on how any increase for infrastructure will be funded. A major concern is that this approach increases tax collections in the near term, but would have much higher long-term costs (based on the assumption that those overseas dollars would eventually come home, and at the higher rate). Click [HERE](#) for a white paper on the proposal.

Proposed Rule to Expand Federal Waters Regulation: The House Committee on Transportation and Infrastructure, chaired by Representative Bill Shuster (R-PA), and the U.S. Senate Committee on Environment and Public Works, chaired by Senator Jim Inhofe (R-OK), will hold a joint hearing next week to examine the impacts on state and local governments of a proposed rule to expand federal regulation of waters under the *Clean Water Act*.

GRANT OPPORTUNITIES

Click [HERE](#) to view the list of grants still open!

ICMP Accepting Applications for Second Round

Application deadline: April 1, 2015

The Investing in Manufacturing Communities Partnership (ICMP) recently announced the opening of its second competition to designate twelve communities as manufacturing communities. The ICMP rewards communities for creating economic development strategies that cultivate an environment attractive to manufacturing and supply chain investments. Designated manufacturing communities gain preference for future federal economic development funding and may receive financial assistance awards from ICMP. Additionally, they will be given a federal liaison as well as branding and promotion as a designated manufacturing community. Click [HERE](#) for details.

UPCOMING EVENTS

Click [HERE](#) to view the list of events still open!

NARC CONFERENCE: NARC's 2015 National Conference of Regions

February 8-10 – Washington, DC

Join your colleagues and register for the National Conference of Regions today! This conference is a forum for locally-elected officials and their Regional Councils to explore federal policy issues, and discuss NARC's legislative priorities for the 114th Congress. Click [HERE](#) for the conference webpage. Please note: The Silver Line Tour has reached capacity.

WORKSHOP: Solar Powering Your Community

March 10, 10:00 AM- 3:00 PM – Dubuque, IA

Local governments interested in learning about how to make their community solar ready in the Dubuque, IA region are invited to a free workshop with national and local experts on Tuesday, March 10th at the Best Western Plus Dubuque Hotel. This interactive workshop will provide actionable information on creating local-level solar policies and permitting processes. Areas of focus include: The benefits and barriers of solar development in Iowa; Understanding the regulatory landscape of solar; Getting Dubuque solar ready; and Innovative financing options for solar projects. Click [HERE](#) to register.