



Central Arizona Governments  
Central Yavapai Metro. Planning Org.  
Lake Havasu Metro. Planning Org.  
MetroPlan Greater Flagstaff  
Northern Arizona Council of Gov'ts.  
Sierra Vista Metro. Planning Org.  
Southeastern AZ Governments Org.  
Sun Corridor Metro. Planning Org.  
Western Arizona Council of Gov'ts.  
Yuma Metropolitan Planning Org.

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April 29, 2021

## RTAC LEGISLATIVE UPDATE

**STATE LEGISLATURE:** The regular session passed its 100<sup>th</sup> day last week and has entered what is essentially the last phase of the legislative process. Each chamber is now completing the consideration of those bills that passed out of the opposite chamber while legislative leadership and the Governor attempt to reach an agreement on budget specifics that will have adequate votes to pass both chambers.

State revenue collections continue to far exceed forecasts. Through March, year-to-date revenue has increased 18.8% which equates to \$1.52 billion more when compared to the same time as last year with another three months of even higher anticipated growth to go this fiscal year. Also, the last round of federal relief funding distributed \$12.2 billion directly to Arizona state government. While there are many restrictions and requirements on its use, the amount is staggering when considering that it is actually larger than the state's current annual budget of \$11.8 billion.

It appears that tax cuts are a top priority for legislative leadership and the Governor, including a phased-in 2.5% flat income tax rate. Concerns over the level of potential lost state revenue and also whether local governments would be held harmless from revenue sharing impacts appear to be complicating that effort. Another challenge is the very narrow partisan split of the two chambers with Republicans controlling both with 31-29 and 16-14 margins. Neither majority caucus in the House or Senate has a single vote to spare if they wish to pass a budget on a strictly partisan vote.

A second priority for the projected surplus, and one that is much more compatible with the "one-time" nature of most of the available revenue, is to earmark funding to infrastructure projects across the state. Leadership indicated earlier in the session that they plan to set aside \$200 million for that purpose. Over the course of the session, 31 bills have been introduced that would appropriate roughly \$386 million to various projects. The demand is clearly there, and with the already substantial and continually growing surplus, an increase to the amount directed to infrastructure is highly possible.

A list of the one-time funding bills is attached. Activity on all of these bills has stalled over the last couple of weeks as the work on the budget picks up. While their introduction helps

illustrate which projects have been prioritized by individual legislators and will likely at least be considered, ultimately their inclusion or exclusion in the budget will determine which are funded. It is also possible that some projects could be included that were not the subject of earlier bills.

**THE ADMINISTRATION/CONGRESS:** Infrastructure investment continues to be the focal point of the agenda back in Washington. Last month, the President proposed a multi-trillion dollar jobs package which included a substantial infrastructure component. Senate Republicans have countered with a proposal that is limited to the infrastructure. The President has expressed a willingness to compromise and also divide his proposal into different parts, addressing the traditional infrastructure package first. Below is an outline of the transportation infrastructure recommendations of the President's plan:

Eno Center, April 5, 2021

<b>Biden "American Jobs Plan" for Transportation Infrastructure (Billion \$)</b>			
<b>"CORE ASSETS"</b>		<b>OTHER TRANSPORTATION INFRASTRUCTURE</b>	
<b>Roads and Bridges</b>		<b>Safety for All Users</b>	
"Fix it Right" Road Modernization	50	Expand HSIP (FHWA)	8
Bridge Investment Program	40	Support Safe Driving Behaviors	1
Community Transpo. Block Grant	5	Safe Streets for All Fund	10
Transportation Alternatives	5	Pipeline Safety Modern. Grants	1
Carbon Reduction Bonus Program	10	<b>Total, Safety for All Users</b>	<b>20</b>
CMAQ	5		
<b>Total, Roads and Bridges</b>	<b>115</b>	<b>Advancing Transformative Projects</b>	
<b>Public Transportation</b>		Transformational Infra. Projects	25
"Fix it Right" State of Good Repair	55	ARPA-I and Basic Research	2
Replace Diesel Buses with Electric	25	Predevelopment & Planning Funds	2
Transit System Expansion	25	Infrastructure Grand Challenge	5
ADA Compliance Upgrades	5	Expand BUILD Program	5
<b>Total, Public Transportation</b>	<b>110</b>	Expand INFRA Program	3
		Other (RRIF, PAB, etc.)	2
<b>Intercity Rail</b>		<b>Total, Transformative Projects</b>	<b>44</b>
Northeast Corridor Modernization	39	<b>Restore/Reconnect Thriving Communities</b>	
Amtrak National Network	16	Thriving Communities Initiative	5
Other Intercity Passenger Rail	20	Highways-to-Neighborhoods	15
Freight Rail and Rail Safety Grants	5	Transpo. Workforce Training	2
<b>Total, Intercity Rail</b>	<b>80</b>	Tribal Transportation Program	3
<b>Aviation</b>		<b>Total, Restore/Reconnect</b>	<b>25</b>
FAA NextGen Air Traffic Control	5	<b>Build/Install 500,000 EV Chargers</b>	<b>15</b>
"Airsides" AIP Grants	10	<b>PROTECT Resiliency Grants at USDOT</b>	<b>5</b>
"Groundside" Airport Grants	10		
<b>Total, Aviation</b>	<b>25</b>	<b>SUBTOTAL, OTHER TRANSPORTATION</b>	<b>109</b>
<b>Ports and Waterways</b>			
USACE Ports & Inland Waterways	8		
GSA Land Ports of Entry	3		
Healthy Ports Initiative	6	<b>TOTAL, ALL</b>	
<b>Total, Ports and Waterways</b>	<b>17</b>	<b>TRANSPORTATION INFRASTRUCTURE</b>	<b>456</b>
<b>SUBTOTAL, "CORE ASSETS"</b>	<b>347</b>		