

**TO:** AIRPORT COMMISSION

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**SUBJECT:** Legislative Update

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## FEDERAL

On March 27, 2020, Congress passed and the President signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act, a \$2.2 trillion economic relief package aimed at assisting workers, businesses, and governments impacted by the coronavirus pandemic. The bill provided \$10 billion in funding to airports throughout the nation. SJC ended up receiving \$65.6 million from the CARES Act.

On May 15, 2020 the House Democrats passed the HEROES Act, a \$3 trillion pandemic relief bill. This relief bill included such items as aid to states and local governments, direct payments to taxpayers, money for supplemental unemployment, and the creation of an Education Stabilization Fund. The bill does not include funding specifically designated for Airports. On July 28, 2020 the Senate Republicans proposed the HEALS Act, a \$1 trillion pandemic relief bill. The HEALS Act proposes such items as direct payments to taxpayers, more funding for the Paycheck Protection Program, provides supplemental unemployment at a reduced rate from the CARES Act, and liability protection.

The HEALS Act also includes \$10 billion in relief funding for the nation's airports to help prevent, prepare for, and respond to the coronavirus. The proposal would provide \$9.5 billion for commercial airports to use for any lawful purpose. Funds would be distributed based on the Airport Improvement Program entitlement formula. Airports would have four years to use the funds.

The appropriations measure also includes funding for TSA and CBP. A total of \$208 million would be for TSA, including \$88 million for the agency to sanitize checkpoints and other areas of airports, \$50 million for procuring "credential authentication technology units," and \$70 million for procuring computed tomography scanner technologies. CBP would receive \$1.6 billion to make up for user fee shortfalls resulting from the COVID-19 pandemic, which would save the agency from making drastic staffing cuts at its ports-of-entry.

Senate Republicans, the White House, and House Democrats continue negotiations between the HEROES Act and the HEALS Act to create a fourth stimulus package. Congress is expected to finalize a bill in early to mid-August. We continue to advocate for airports to be included in the final bill, as this extra funding continues to be critically important to help airports address the impact of the pandemic.

On July 24, 2020, the House approved a \$259.5 billion spending package that combines State, Interior, Agriculture, EPA, and Veteran Affairs. On July 31, 2020, the House approved another \$1.3 trillion for Defense, Labor, Health and Human Services, Education, Commerce, Energy, Transportation, and Housing and Urban Development.

## **STATE**

After several staff and legislators tested positive for COVID-19, the state Senate and Assembly had extended their July summer recess until July 27, 2020 and returned to session this week. Given the compressed schedule for the rest of the session, Senate and Assembly Committee Chairs are selectively moving forward COVID-19 related or time-sensitive bills.

On July 27, 2020, Democratic lawmakers released an ambitious but sparsely detailed \$100 billion stimulus plan that would provide extra unemployment benefits, expand tax credits for low-income and undocumented workers, protect renters from evictions and help struggling landlords and small businesses, while also creating environmentally friendly jobs. The plan proposes raising \$100 billion by encouraging Californians to pre-pay their income taxes in exchange for future vouchers, borrowing money from the federal government, and accelerating other sources of revenue.

With only 5 weeks left to act on large pandemic-related issues, the Legislature plans to ask Governor Newsom to grant a special session, so they can have more time to pass contentious pandemic-related legislation. The Governor has not yet indicated whether he would grant this request.

## **REAL ID**

The deadline for Californians to get a Real ID has been extended until Oct. 1, 2021 due to the pandemic. TSA and other federal agencies will require a Real ID once this goes into effect.