



Metropolitan Washington Council of Governments 2014 Legislative Priorities

22 JURISDICTIONS 5+ MILLION PEOPLE 300 ELECTED OFFICIALS

WHAT IS COG?

COG is the regional council for the metropolitan Washington area with approximately 300 local, state and federal elected officials representing 22 local governments. COG also hosts and supports the National Capital Region Transportation Planning Board, our region's metropolitan planning organization (MPO) and the Metropolitan Washington Air Quality Committee, the tri-state air quality planning organization.

Comprised of small and large, urban and suburban jurisdictions, COG understands well the complexities of regional collaboration. We also know its value. There is strength in numbers. Only by working together can we tackle the complex issues of the day with greater efficiency and effectiveness.

Region Forward is COG's vision. It is a commitment by COG and its 22 member governments to create a more accessible, sustainable, livable and prosperous region. Every level of government has a role to play in achieving this vision. COG's policy priorities and supplementing issue briefs highlight what those roles are and actions necessary to strengthen the economic competitiveness of the National Capital Region and secure a better future for our residents.

COG'S 2014 LEGISLATIVE PRIORITIES

> INCREASED TRANSPORTATION FUNDING



The current structure and levels of federal and state transportation funding are inadequate for addressing pressing needs for system maintenance, new infrastructure, and the increasingly urgent problem of congestion on both roadway and transit systems in the Washington region. Federal and State policy makers need to devote attention to exploring new ways to dedicate increased Metro funding to extend past the current allocated funding expiring in 2020, only 6 years away.

> ENERGY EFFICIENCY & PRODUCTIVITY



Increasing energy productivity – economic output per unit of energy consumed – benefits our economy, environment and security. Improving the region's energy productivity through enhanced access to energy efficiency finance, energy system modernization and sustained investment in innovation is critical to improve the reliability and resilience of our energy system, achieve our environmental goals and promote economic vitality.

> WATER QUALITY PROTECTION



Protecting water quality in metropolitan Washington to achieve the goals of the federal Clean Water and Safe Drinking Water Acts requires that EPA, state regulatory agencies, the state legislatures and United States Congress support actions to: adopt feasible implementation schedules and utilize regulatory flexibility such as integrated planning/permitting solutions in recognition of significant financial impacts on local government and utilities and identify funding and funding mechanisms to support implementation by local governments and utilities.

> WORKFORCE DEVELOPMENT & SUPPORTING LOCAL ECONOMIES



Governments at the federal and state level must support workforce development and provide resources to spur job creation and the continued growth of our local economies. This goal can be achieved through investment in education at all levels, support of Activity Centers as primary locations for job growth, and funding for workforce development education and training, with the common goal of creating jobs to support local economies.

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Metropolitan Washington Council of Governments 2014 Legislative Priority: Increased Funding for Transportation

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BACKGROUND

Recent analysis by the Transportation Planning Board (TPB) underscores one of the most pressing long-term challenges for transportation in metropolitan Washington: the urgent need for additional revenues, both to ensure the region's existing roadway and transit systems are adequately maintained, and to fund increases in capacity to support future population and employment growth.

Metro dedicated funding, which provides \$1.5 billion over ten years from the federal government for Metro's rehabilitation and maintenance, is set to expire in 2020, and there is currently no legislation to extend the measure nor is there a commitment by the states to continue providing 50 percent matching funds. Federal and State policy makers need to devote attention to exploring new ways to dedicate increased metro funding to extend past the current allocated funding expiring in 2020, only 6 years away.

Metropolitan Washington is projected to add more than 1.2 million new residents and 1.1 million new jobs by 2040. The region's already crowded Metrorail cars, buses, and roadways cannot meet the challenge presented by this growth without new resources.

TRANSPORTATION INFRASTRUCTURE INVESTMENT

The current structure and levels of federal transportation funding are inadequate for addressing pressing needs for system maintenance, new infrastructure, and the increasingly urgent problem of congestion on both roadway and transit systems in the Washington region. Federal and State policy makers need to devote attention to exploring new ways to dedicate increased Metro funding to extend past the current allocated funding expiring in 2020, only 6 years away.



REGULATORY & LEGISLATIVE AGENDA

- A substantial increase in federal transportation funding is necessary to address the under-investment in the region's transportation system.
- Federal and State policy makers need to devote attention to re-dedicating and increasing Metro funding to extend past the current allocated funding expiring in 2020, and explore ways to continue metro funding in 6 years.
- Federal transportation policy should provide for increased federal funding over the long-term, with a greater focus on metropolitan congestion and other metropolitan transportation challenges. MAP 21, enacted in July 2012 and a significant milestone in surface transportation legislation, expires in September 2014. While MAP-21 maintains current funding levels, it includes no new revenue sources dedicated to transportation, and provides very limited sub-allocation of funding to metropolitan areas.
- State legislatures need to continue building on the progress made last year and make local transportation funding a priority in 2014.

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Metropolitan Washington Council of Governments

2014 Legislative Priority: Energy Efficiency & Productivity

22 JURISDICTIONS 5+ MILLION PEOPLE 300 ELECTED OFFICIALS



ENERGY EFFICIENCY AND PRODUCTIVITY

Increasing energy productivity – economic output per unit of energy consumed – benefits our economy, environment and security. Improving the region’s energy productivity through enhanced access to energy efficiency finance, energy system modernization and sustained investment in innovation is critical to improve the reliability and resilience of our energy system, achieve our environmental goals and promote economic vitality.



REGULATORY AND LEGISLATIVE AGENDA

- Improve Access to Energy Efficiency Finance for Homes, Businesses and Communities - Governments should work with utilities and the private sector to make more capital available, establish financing programs that reduce risk for investors, align renter and owners incentives and improve customer awareness of available financing.
- Modernizing Our Energy System.-A modern energy system must effectively deploy clean distributed energy resources and improve access to energy data while providing affordable electricity, grid security and reliability. Government, industry and utilities should work together to develop solutions that encourage cost-effective investments in efficiency, reliability, security and grid resilience.
- Investing in Innovation - Energy efficient technologies reduce costs, increasing the productivity of our businesses, creating jobs and accelerating economic growth. Sustained investments in energy efficiency from the research phase to demonstration and deployment are essential to achieve our energy and environmental goals. States should expand existing public-private partnerships and explore new collaborations that strengthen research activities and promote market adoption.

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Metropolitan Washington Council of Governments 2014 Legislative Priority: Energy Efficiency & Productivity

22 JURISDICTIONS 5+ MILLION PEOPLE 300 ELECTED OFFICIALS



IMPROVE ACCESS TO ENERGY EFFICIENCY FINANCE FOR HOMES, BUSINESSES AND COMMUNITIES

Buildings account for about 40% of U.S. energy use. Energy efficient technologies available today could save homes and businesses 30-50% on monthly energy bills, yet only about one-fifth of potential cost-effective energy improvements are made each year.

Accessible finance is critical to enable residents, business owners and communities to make cost-saving energy efficiency improvements. COG encourages state and local governments to explore new finance programs and public-private partnerships that lower up-front costs, make more capital available and provide affordable terms for residents and businesses. Potential solutions include: on-bill financing, property assessed clean energy (PACE) financing, Energy Savings Performance Contracts (ESPCs), a regional infrastructure bank for energy improvements and sustainable community energy planning, and savings-sharing mechanisms to better align customer and utility incentives.

MODERNIZING OUR ENERGY SYSTEM

Demand for clean energy, the growth of distributed generation, and new environmental and security concerns are leading utilities and regulators to explore ways to make the grid more efficient, reliable and secure. Smart meters, demand response programs and time-of-use rates can lead to significant efficiency gains simply by increasing customer information and engagement. Grid-level improvements such as voltage optimization and smart switches can greatly improve reliability and security.

Harnessing the benefits and efficiencies of clean, distributed energy resources and load management will contribute to a robust, resilient and sustainable power system, both regional and national productivity and competitiveness. Renewable, combined heat and power, district energy and microgrid technologies reduce peak load, improve reliability, lower costs and help utilities meet environmental goals.

Monitoring and storage should be used to maximize these benefits and minimize interconnection and variability challenges. If appropriate, regulators should explore alternative regulatory models like decoupling that ensure fair cost recovery for utilities.

INVESTING IN INNOVATION

Investing in clean, efficient and advanced energy technologies will not only help expand the energy technology sector but create spill-over benefits for other industries and make our economy more competitive in the world market. Energy efficient and clean energy technologies, like renewable energy, combined heat and power, smart grids, microgrids, and grid-level advances in transmission, flexible generation and storage will not only accelerate economic growth, but will be critical to solving new reliability, security and environmental challenges.

Energy efficiency promotes local jobs and businesses. National estimates indicate that per million dollars invested, building efficiency improvements will create 20 new full-time jobs, versus 10 created by the energy generation industry. By shifting consumer spending from the energy sector to more employment-intense industries, efficiency improvements have a high return-on-investment: each dollar saved on utility bills has 2.24 times the effect on domestic employment and wages than a dollar spent on utility bills. Combined, the energy productivity gains from investment in financing, grid modernization and innovation could create 1.3 million jobs and save \$327 billion per year by 2030.

Support for basic and applied research, development, demonstration and deployment of new technology is essential to reach our economic and environmental goals. Public investment has been critical to many important innovations in the energy sector. Governments can also help support new technology by offering public facilities as demonstration sites or through collective and bulk purchasing programs.

For more information about COG, this Energy Efficiency & Productivity Legislative Priority, or any other of COG's Legislative Priorities, please contact Monica Beyrouti, COG's Member Services Associate at 202.962.3212 or mbeyrouti@mwkog.org

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Metropolitan Washington Council of Governments 2014 Legislative Priority: Water Quality Protection

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BACKGROUND

Local jurisdictions' best management practices will also be shaped by goals within the new Bay Agreement, expected to be signed in spring of 2014, and measured by milestones reached as we approach the 2017 mid-point to the Chesapeake Bay TMDL implementation. Many jurisdictions in the region will also be receiving their "next generation" of stormwater permits in 2014 with more stringent requirements.

A major challenge is controlling the pollution that occurs during wet weather; which includes stormwater runoff, flows from combined sewer and stormwater systems in several parts of the region, and even leaks and overflows from sanitary sewers. In the case of stormwater runoff, the challenge is complicated by the need to address runoff from existing developed areas, many of which were built without the "best management practices" for improving water quality that have become commonplace – but only since the 1980s. Retrofitting stormwater pollutant controls into older developed areas is inherently complex, time consuming and highly expensive. (continued on back)

WATER QUALITY PROTECTION

Protecting water quality in metropolitan Washington to achieve the goals of the federal Clean Water and Safe Drinking Water Acts requires that EPA, state regulatory agencies, the state legislatures and United States Congress support actions to: adopt feasible implementation schedules and utilize regulatory flexibility such as integrated planning/permitting solutions in recognition of significant financial impacts on local government and utilities; and identify funding and funding mechanisms to support implementation by local governments and utilities.



REGULATORY AND LEGISLATIVE AGENDA

- Federal government: Define clear affordability criteria to ensure that local governments and utilities can finance and pay for water infrastructure requirements and advance water quality progress, without unduly burdening ratepayers and taxpayers, and without compromising other critical local programs. Affordability criteria should take into account the cumulative costs for complying with drinking water, wastewater and stormwater regulations, as well as trade-offs between environmental sector costs and other local responsibilities.
- State government: Ensure that the extent and pace of implementation proposed under the new generation of local government stormwater permits (MS4s) is feasible and cost-effective. Continue to apply the "Maximum Extent Practicable" (MEP) standard so that stormwater permits reflect what can reasonably be accomplished within their 5-year permit terms.
- Federal and state government: Use the flexibility inherent in existing regulations and policies, as well as EPA's 'integrated planning/permitting' policy to allow local governments and utilities to prioritize spending on water quality projects. Allow localities to experiment with new technology, such as green infrastructure, and use trading between different sources of pollution to meet permit requirements on a cost-effective basis.
- Federal and state government: Identify funding sources to reestablish historically shared financial commitment and partnership with local governments. Ensure that tax credits and other financial assurances for borrowing are retained. Work with local governments to develop creative mechanisms for shared funding such as infrastructure banking.

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2014 Legislative Priority: Water Quality Protection

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BACKGROUND (continued)

Because meeting permit requirements is a local responsibility, and because state and federal governments provide little cost-share assistance in the Washington region (as compared to the past), funding has become a major challenge for local governments and utilities. To meet these obligations, they are raising water-based rates and taxes at a rate well above inflation. They are also making new investments in infrastructure at the same time as they are struggling to pay for the maintenance of existing infrastructure.

As a result, conflicts are developing between paying for water quality requirements and funding other necessary local government services. Better use of existing regulatory flexibility and application of integrated permits/planning that allows localities to address their wastewater, stormwater and drinking water needs in an integrated and prioritized manner would help localities meet permit requirements with limited resources. This includes permit implementation schedules that recognize limitations due to affordability and other criteria. Beyond this, additional cost-share funding from state and federal governments would accelerate progress toward reducing pollutant loads.

For more information about COG, this Water Quality Legislative Priority, or any other of COG's Legislative Priorities, please contact Monica Beyrouiti, COG's Member Services Associate at 202.962.3212 or mbeyrouiti@mwkog.org

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Metropolitan Washington Council of Governments 2014 Legislative Priorities: Workforce Development & Supporting Local Economies

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BACKGROUND

As the region's employers adjust to an evolving federal presence, strong growth is still foreseen in sectors such as health care, information technology occupations, and energy efficiency improvements. Health care jobs will be driven both by demographics – the growth, aging and diversity of the region's population – as well as the unique, value-added research for which the region is known, such as in biotechnology and the human genome sciences. In addition, a talented and growing IT sector must build on the skills and technology honed through many years of specialized consulting services to federal agencies, and meet new challenges from rapidly-emerging needs in cybersecurity and biometrics.

President Obama's Skills for America's Future initiative is a new, industry-led initiative focused on sharing workforce development strategies and job training programs to increase job placement and opportunities. Programs and legislation with similar focus will help grow the Capital region and ensure job opportunities and economic success for the region moving forward. (continued on back)

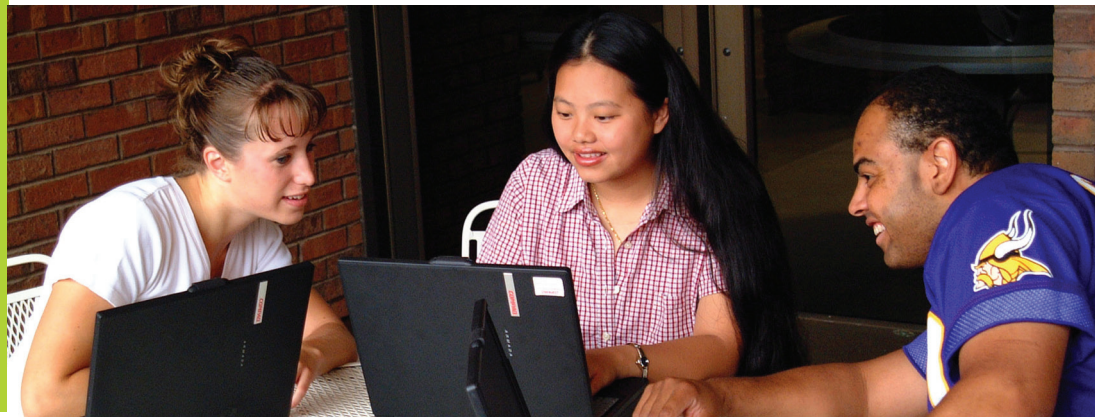
WORKFORCE DEVELOPMENT & SUPPORTING LOCAL ECONOMIES

Governments at the federal and state level must support workforce development and provide resources to spur job creation and the continued growth of our local economies. This goal can be achieved through investment in education at all levels, support of Activity Centers as primary locations for job growth, and funding for workforce development education and training, with the common goal of creating jobs to support local economies.



REGULATORY & LEGISLATIVE AGENDA

- Encourage the executive and legislative branches of Virginia and Maryland to support legislation and programs that fund local job development and more closely align education and job creation.
- Support federal legislation and the Skills for America's Future initiative to focus on workforce development and job creation at the local level.
- Work with local governments to support sound land use planning which focuses employer retention and new job growth in Activity Centers.



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BACKGROUND (continued)

Partnerships and training through the region's network of world-class colleges and universities is essential for the advanced training to serve a growing economy. In addition, Economy Forward and the Region Forward Coalition both noted the need to strengthen education and training through the region's excellent community colleges to meet current and future demand for jobs that may only require technical certification or an Associate's Degree. Partnerships between COG and the region's many Workforce Investment Councils, as well as with the region's Economic Development Directors, will be essential to ensuring strong economic growth and workforce development.

As called for in Economy Forward – and building on the Board's approval in 2013 of the new Activity Centers map – "Place + Opportunity: Strategies for Creating Great Communities and a Stronger Region" is COG's new initiative to strengthen and enhance Activity Centers throughout metropolitan Washington. Activity Centers—the places that will accommodate much of the region's growth in the coming decades—are a key factor that attracts residents, businesses, and visitors to the area, and are critical to ensuring the region's future competitiveness and success. Incorporating in-depth research on market, physical, and socioeconomic characteristics of the region's Activity Centers, this report presents goals, strategies, and tools to assist local governments and other stakeholders working to create thriving, high-opportunity places. Together with the Transportation Planning Board's Regional Transportation Priorities Plan (RTPP), Place + Opportunity offers an array of tools, strategies and resources to better link land use, transportation and affordable housing.

For more information about COG, these Workforce Development & Local Economy Legislative Priorities, or any other of COG's Legislative Priorities, please contact Monica Beyrouiti COG's Member Services Associate at 202.962.3212 or mbeyrouiti@mwkog.org

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