



APPROPRIATIONS ALERT

BY THE COMMITTEE ON THE BUDGET, REPUBLICAN CAUCUS

B-71 Cannon House Office Building
Washington, DC 20515
Representative Paul D. Ryan, *Ranking Republican*

Phone: (202)-226-7270
Fax: (202)-226-7174
Augustine T. Smythe, *Republican Staff Director*

TRANSPORTATION AND HUD APPROPRIATIONS ANOTHER 25- PERCENT INCREASE H.R. 3288

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A day after rejecting the use of caps to control discretionary spending, the House Majority is bringing to the floor a 25-percent increase for the fiscal year 2010 Transportation, Housing and Urban Development [THUD] appropriations bill (H.R. 3288). The bill provides \$68.9 billion in discretionary budget authority [BA]. This represents an increase of \$14 billion in BA above the scored 2009 level, and just \$46 million less than the President’s 2010 budget request. The large gap between budget authority and outlays in the bill is due to obligation limitations, a control on the use of mandatory budget authority that is provided in authorization legislation to several transportation programs.

On Wednesday, the House Majority rejected a motion that would have added discretionary spending caps to their pay-as-you-go [pay-go] legislation. Previous versions of statutory pay-go included ceilings on appropriated spending.

The THUD bill provides funds for highways, mass transit, aviation, as well as housing and economic funding for the Department of Housing and Urban Development.

Table 1: Transportation, Housing and Urban Developments, and Related Agencies Appropriations
(dollars in millions)

	2009 Enacted ^a	2010 Request ^b	302 (b) for 2010	H.R. 3288
Budget Authority	57,798	68,869	68,821	68,823
Outlays	115,568	123,839	135,243	134,585

^a Excludes emergencies. Levels have been rebased.

^b Does not include President’s proposal to shift highway and transit BA to discretionary accounts.

As reported the subcommittee bill is within its 302(b) suballocation and complies with section 302(f) of the Congressional Budget Act of 1974. In addition the bill includes eligible fiscal year 2011 advance appropriations of \$4.4 billion in BA to housing programs: \$4 billion for tenant-based housing and \$400 million for project based housing program. HR 3288 does not include any new emergency spending or funding for the global war against terrorism.

Key elements of the bill include:

- **Department of Transportation.** H.R. 3288 provides \$19.4 billion in discretionary BA to the Department, an increase of \$2.7 billion, or 16 percent, over the regular 2009 enacted level. Unlike previous years, the bill does not include large rescissions of unobligated

balances of contract authority that are scored as budget authority savings but produce no actual spending (outlay) savings. The measure also includes \$54.2 billion in transportation obligation limitations, including \$41.1 billion for highways, \$8.3 billion for mass transit, and \$3.5 billion for aviation. Funding for these programs is at the President's request.

Most of the highway, safety and transit programs in this bill controlled by obligation limitations require contract authority, a form of mandatory budget authority typically provided in multiyear surface transportation authorization bills, to make obligations. The current authorization bill expires at the end of fiscal year 2009, so for these programs to operate at least at current levels additional, contract authority will have to be provided in a new highway bill or in an extension of the current authorization.

- **Department of Housing and Urban Development [HUD].** Under the bill, HUD would receive \$47 billion in BA, an increase of \$6.2 billion, or 15 percent, over the 2009 enacted level. This includes an increase of \$989 million over 2009 for renewals of tenant based rental assistance; \$4.8 billion for the Public Housing Operating fund, an increase of \$345 million over the previous year; \$1.9 billion for Homeless Assistance grants, an increase of \$173 million; and \$7.5 billion for renewals of project-based rental assistance, an increase of \$1.0 billion over the regular 2009 level, and \$6 million above the President's 2010 request.
- **Terminations and Reductions.** The Majority claims the bill includes \$1.5 billion in gross savings from 2009 enacted levels, including \$98 million in terminations from two items, as well as \$1.4 billion in savings from various reductions. Savings totaling \$3.8 billion are claimed relative to the President's budget, principally from funding a proposed new program – the National Infrastructure Bank – at \$3 billion below the request, and assuming \$455 million in savings from funding various items below the 2010 request. No program terminations were requested by the President for this bill.

Table 2: Transportation, Housing and Urban Developments, and Related Agencies Appropriations
(budget authority in millions of dollars)

	2009 Enacted ^a	2010 Request ^b	2010 Reported	2010 Rept./Reqst.	% Change Reqst./Rept.	% Change 2009/Rept.
Federal Aviation Administration	11,955	12,441	12,467	26	0%	4%
Federal Highway Administration	177	0	126	126	0%	-29%
Federal Railroad Administration	1,761	2,705	3,749	1,044	39%	113%
Federal Transit Administration	1,970	1,992	2,138	146	7%	9%
Other Department of Transportation	856	952	957	5	1%	12%
Public and Indian Housing Programs	30,982	33,693	35,268	1,575	5%	14%
Community Planning and Development	7,806	8,456	8,917	461	5%	14%
Other, HUD	1,988	3,334	2,773	-561	-17%	39%
Other Independent Agencies	303	5,296	2,428	-2,868	-54%	701%
Total	57,798	68,869	68,823	-46	0%	19%

^a2009 levels are rebased.

^bDoes not include President's proposal to shift Highway and Transit BA to discretionary accounts.

- **Highway Trust Fund Shortfall.** According to the Department of Transportation, some time in August the Highway Account [HA] of the Highway Trust Fund [HTF] will not have enough revenue to fully reimburse States for Federal-aid highway spending.

The administration is requesting a general fund transfer to the HTF of between \$5 billion to \$7 billion to cover the 2009 shortfall; an additional \$8 billion to \$10 billion for the projected fiscal year 2010 highway account's shortfall; and \$2 billion for a shortfall in the Highway Trust Fund's Mass Transit Account. The administration is also asking that the cost of such a transfer be offset over a period of 10-years.

In September 2008, a sum of \$8 billion was credited from the general fund to the HA-HTF to keep the latter solvent.

The Highway Trust Fund again faces a shortfall because multiyear surface transportation authorization bills – starting with the 1998 Transportation Equity Act for the 21st Century [TEA-21] and continuing with the 2005 Safe, Accountable, Flexible, and Equitable Transportation Act: A Legacy of Users – caused outlays to exceed revenues in the Highway Trust Fund.

This document was prepared by the Republican staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and may not reflect the views of individual committee members.