

WSP Washington Update – February 11, 2020 - Interim Update - FY'21 Administration Budget Request

The Trump Administration has released its fourth annual budget request to Congress. The Administration's request calls for deep reductions in many domestic discretionary spending programs along with a request for significant additional funding for the Mexican border wall. This is sure to set up yet another budget battle in Congress. As in previous years, Congress is expected to reject many of the requests for cuts in popular federal programs.

Here is a [link](#) to the US DOT FY'21 Budget in Brief and a [link](#) to the full White House budget overview (the US DOT budget summary begins on page 81 of the document).

Here are some highlights of the President's request for US DOT:

No money is requested as General Fund (GF) supplements for any Trust Fund programs, including additional GF dollars for FHWA (\$2.16B in FY'20), FAA's AIP program (\$400M in FY'20), and FTA Formula Grants (\$510M in FY'20).

FHWA – the budget requests \$49.98B for the federal-aid highway program from the Highway Trust Fund compared with the \$46.3B appropriated by Congress in FY'20. That funding includes a recommended \$1B for the popular INFRA competitive grants program.

FTA – the budget requests only \$1.89B for the Capital Investment Grant (CIG) program (New Starts, Small Starts, Core Capacity) - \$745M for eight existing New Start projects with FFGAs, \$200M for two existing Core Capacity projects, \$774M for new unspecified CIG projects that may become ready for funding during FY'21, and \$150M for the Expedited Project Delivery Pilot Program. See page 37 of the US DOT Budget in Brief for a list of projects recommended to be funded. The money proposed for the CIG program is \$89M less than the \$1.98B appropriated by Congress in FY'20 which was significantly less than the \$2.55B appropriated in FY'19. There is \$11.05B requested for the transit formula program, versus the \$10.15B appropriated in FY'20.

Here is a [link](#) to FTA's Annual Report on Funding Recommendations for the CIG Program for FY'21.

FRA – the budget requests a total of \$1.48BM for Amtrak - \$325M for the Northeast Corridor (NEC), \$611M for the National Network, and \$550M for a new National Network Transformation Grant program to be used to “restructure Amtrak's long distance lines”. This is a significant cut compared with the total of \$2B for Amtrak that Congress appropriated in FY'20, including \$700M in FY'20 for the NEC alone. The budget calls for restructuring the long distance network outside the NEC to focus on shorter distance regional corridors. Other requests include \$330M for CRISI competitive grants (versus the \$325M appropriated in FY'20), but no money is requested for State of Good Repair grants (versus \$200M appropriated in FY'20) and Restoration & Enhancement grants (\$2M appropriated in FY'20).

FAA – the budget requests \$3.35B (the same amount appropriated in FY'20) for the Airport Improvement Program (AIP) for airport capital construction programs.

Ports – the budget proposes to eliminate the port infrastructure grant program which received \$225M in FY'20. The Administration believes that port projects should compete for funds through existing programs such as INFRA and BUILD.

BUILD Grants – The budget requests \$1B for the BUILD discretionary grant program (formerly called the TIGER program), the same amount appropriated by Congress in FY'20. The Administration proposes to authorize the BUILD program in the next surface transportation authorization bill for the first time.

The current FAST Act surface transportation authorization bill expires on September 30, 2020. Therefore, there is no congressional authorization currently in place for the FY'21 budget cycle. The Trump Administration has not yet submitted a formal reauthorization proposal to Congress, but their FY'21 Budget Request provides an outline of potential funding levels and policy direction that they expect to advocate for during the upcoming reauthorization debate in Congress - see pages 8 to 13 of the US DOT Budget in Brief for more details. The Administration's reauthorization outline recommends \$810B over ten years (FY'21 to FY'30) for a surface transportation reauthorization program (\$602B for highways, \$155B for transit, and \$16.6B for rail) without many specifics about how it would be paid for.

In addition to the FAST Act reauthorization proposal, the Administration is proposing \$190B in General Funds for the authorization of other infrastructure programs including \$60B for a new "Building Infrastructure Great" grant program to fund megaprojects (including highways, transit, rail, ports, pipelines, locks, dams, drinking water, wastewater and broadband), \$50B for a new freight program, \$35B for a bridge rebuilding program, \$20B for a new transit State of Good Repair "Sprint" program, and \$6.5B for a Public Lands Infrastructure Fund. Here is a [link](#) to an Administration Fact Sheet with more details about the \$190B infrastructure proposal.

Information about budget requests for other infrastructure related programs will be reported on shortly.