

## WSP Washington Update - February 9, 2018 - Interim Update

The federal government did end up “shutting down” for a few hours last night as the House and Senate struggled to find enough votes to pass the massive budget deal – the Bipartisan Budget Act of 2018. However, very early this morning, both bodies voted to approve the bill and the President has signed it. The Senate passed the bill 71 to 28 and then the House passed it by a vote of 240 to 86. Here is a [link](#) to the Senate vote tally and a [link](#) to the House tally.

Among other provisions, the bill extends funding for all federal agencies until March 23 and increases the FY’18 and FY’19 budget caps for both defense and non-defense programs. The additional six weeks should give the appropriations committees enough time to finalize an omnibus, year-long FY’18 funding bill now that the budget caps have been increased enough to avoid sequestration and to accommodate the additional spending proposed in the pending FY’18 funding bills.

The budget bill also includes over \$300B in additional budget authority over two years, including an extra \$63B for non-defense/domestic programs in FY’18 (an 11% increase) and \$67B in FY’19. Of that amount, approximately \$20B is targeted to infrastructure (surface transportation, rural water, wastewater, drinking water, rural broadband, energy infrastructure) over the two years. The bump up for infrastructure is not in the statutory text, but is addressed in an accompanying memo which does not specify which programs should be funded. It will be up to the various appropriation subcommittees to allocate the additional budget authority as they finalize the FY’18 funding bill.

The bill also includes a wide variety of miscellaneous provisions including the suspension of the debt limit until March 2019, \$84B for disaster relief (including \$1.8B for US DOT emergency relief programs) related to last year’s hurricanes and wildfires, extension of the popular Children’s Health Insurance Program (CHIP) for an additional four years, and renewal of a variety of expired tax provisions. The expired tax provisions that were retroactively extended through 2017 include the short line railroad tax credit and the transit alternative fuels tax credit. However, the tax credits were not extended into 2018.

The budget bill does not address DACA, funding for the Mexican border wall, or other immigration provisions that Democrats had been holding out for.

Unless something slips, the White House will release its FY’19 budget recommendations on Monday. The US DOT budget request is expected to be similar to last year’s request which severely cut Amtrak, transit CIG (New Starts, Small Starts and Core Capacity) grants, and TIGER. Pending House and Senate FY’18 DOT appropriation bills restore most, if not all, of those proposed cuts.

In addition, the White House says it will release the Trump Infrastructure Plan on Monday.