

## WSP Washington Update - March 11, 2019 - Interim Update - FY'20 Budget Request

Today, the Trump Administration released its third annual budget request to Congress. The government shutdown and the delay in completing the FY'19 appropriations process pushed back the release of the FY'20 budget from the usual early February date until today.

Here is a [link](#) to the US DOT FY'20 Budget in Brief, a [link](#) to the full 150-page White House budget overview (the US DOT budget summary is on pages 77 to 79 of the document), and a [link](#) to a two-page White House fact sheet on "Delivering 21<sup>st</sup> Century Infrastructure".

The Administration's request calls for deep reductions in domestic discretionary spending programs along with a request for \$8.6B in additional funding for the Mexican border wall. This is sure to set up yet another budget battle in Congress. In general, we expect Congress to ignore many of the requests for programs cuts in popular federal programs. However, to a certain degree, Congress' hands will be tied unless an agreement is reached to increase the domestic discretionary spending caps. A 2017 budget deal increased both the defense and domestic budget caps for FY'18 and FY'19 with close to \$10B of the increase going each year to transportation and other infrastructure programs resulting in funding levels above even the FAST Act authorized levels which will be difficult to duplicate in FY'20.

Here are some highlights of the President's request:

FHWA – the budget requests \$2B for INFRA discretionary grants – double the FAST Act authorized level, and \$300M in competitive highway bridge grants (versus \$225M in FY'19 funding). The budget does not address the pending \$7.56B recession in highway contract authority scheduled to take place on July 1, 2020 per the FAST Act.

FTA – the budget requests \$1.5B (versus \$2.55B in FY'19 funding) for the Capital Investment Grant (CIG) program (New Starts, Small Starts, Core Capacity) - \$795M for eight existing New Start projects with FFGAs, \$200M for two existing Core Capacity projects, and \$494M for new projects that may become ready for funding during FY'20. See page 52 of the US DOT Budget in Brief for a list of projects recommended to be funded. The budget also calls for refocusing on projects that have a high non-Federal share. There is \$10.65B for the transit formula program, the same as FY'19.

FRA – the budget requests a total of \$936M for Amtrak - \$325M for the NEC and \$611M for the National Network (versus \$650M for the NEC and \$1.29B for the National Network in FY'19 funding). The budget calls for restructuring the long distance network outside the NEC to focus on shorter distance routes supplemented by a "robust intercity bus service". Other requests include \$330M for CRISI grants and \$550M for restoration grants with no money requested for SOGR grants.

FAA – the budget request \$3.3B (versus \$3.85B in FY'19 funding) for the Airport Improvement Program (AIP) for airport capital construction programs.

Other – The budget requests \$1B for the BUILD discretionary grant program (formerly called the TIGER program) versus the \$950M appropriated in FY'19.

The White House fact sheet on Infrastructure calls on Congress to pass legislation that generates at least \$1T in infrastructure investment by passing a long-term surface transportation reauthorization (FAST Act) along with a placeholder for \$200B for other infrastructure priorities, including water infrastructure, 5G wireless, rural broadband, advanced manufacturing, and the establishment of a Federal Capital Revolving Fund to support more investment in GSA buildings and other federal property.