

## PB Washington Update - Interim Report - April 15, 2011

Yesterday afternoon, both the House and Senate passed the FY'11 funding bill that six months into the fiscal year will finally fund the federal government through September 30, the end of the fiscal year. The President is expected to sign the bill today. After over six months of delays and a near shutdown of the federal government, the final vote was somewhat anti-climactic as Congress has already started to focus on the FY'12 budget process and the looming debt ceiling crisis, in which even larger funding cuts will be on the table.

The House voted 260 to 167 to pass the FY'11 Continuing Resolution, HR 1473. The vote, which required bi-partisan support to pass, got 179 Republican and 81 Democratic votes. Of the 59 Republicans who voted against the bill, primarily because they felt the cuts were too small and did not fulfill their election pledge to cut \$100B, 28 were freshmen. Later in the day the Senate passed the bill without amendment by a vote of 81 to 19. Of the 19 "No" votes, 4 were Democrats/Independents and 15 were Republicans.

Moving quickly on to FY'12, this afternoon the House voted to pass Budget Committee Chairman Paul Ryan's FY'12 Budget Resolution by a mostly party-line vote of 235 to 193. No Democrats voted for the Resolution, but four Republicans voted against it. The Senate will not release or vote on its version of the FY'12 Budget Resolution until after Congress returns on May 2 from its two-week recess. Here is a [link](#) to a letter sent to Chairman Ryan (R-WI) by the Transportation Construction Coalition (TCC) strongly opposing the House Budget Resolution because of its serious negative implications for transportation funding.

### Final FY'11 DOT Funding

Below is a chart comparing FY'10 DOT funding with FY'11 funding for key transportation programs. In general, FY'10 funding levels were extended to FY'11 with the exception of several programs such as high-speed rail and transit New Starts which were cut.

Program	FY'10 Enacted	FY'11 Administration Request	FY'11 Final Funding Level
FHWA Obligation Limit	\$41.1B	\$41.3B	\$41.1B
FAA AIP	\$3.51B	\$3.51B	\$3.51B
FTA Formula and Bus	\$8.34B	\$8.27B	\$8.34B
FTA New Starts	\$2B (\$280M of which is now rescinded)	\$1.82B	\$1.6B
FTA TIGGER (GHG and Energy Efficiency)	\$75M	\$53M	\$50M
FRA High-Speed Rail	\$2.5B (\$400M of which is now rescinded)	\$1B	\$0
Amtrak Total	\$1.58B	\$1.63B	\$1.5B
NII/TIGER	\$600M	\$0	\$527M (does not include any funding for planning projects)

The cuts to FY'11 funding include:

- 0.2% cut to all non-defense General Funded programs (does not include programs funded by the Highway Trust Fund)
- \$2.9B cut from the high-speed rail program – a combination of \$2.5B cut below the FY'10 level (which had been greatly increased above the President's request of only \$1B) and \$400M rescinded from FY'10. This reduces the \$2.4B in currently unallocated HSR funds (returned by Florida) down to \$2B. FRA hopes to announce the projects selected to receive these funds in the next few weeks.
- Although the FHWA obligation limit remains the same for FY'11, \$650M in FY'10 General Funds was not repeated in FY'11, \$630M of old TEA 21 and earlier project earmarks which had not obligated were rescinded, and \$2.5B in FY'10 unobligated contract authority was rescinded (which state DOTs have limited options to actually use and have flexibility to decide what to cut. Interestingly, the rescission does not actually reduce the federal deficit since it is mandatory, not discretionary spending).
- \$400M cut below the original FY'10 level for the FTA New Starts program which reflects the Administration's FY'11 budget request of only \$1.82B minus the \$200M it included for the now defunct ARC project in New Jersey. In addition, \$280M was rescinded from FY'10 which primarily will be taken from the \$200M earmarked in FY'10 for the ARC project. Since the FY'11 bill did not include any project earmarks, it will be up to FTA to allocate the \$1.6B.
- \$73M cut from the FY'10 level for the TIGER grant program. US DOT is expected to release a Notice of Funding Availability for the \$527M in FY'11 funds very shortly.