



# APPROPRIATIONS ALERT

BY THE COMMITTEE ON THE BUDGET, REPUBLICAN CAUCUS

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## TRANSPORTATION-HUD APPROPRIATIONS BILL (H.R. 5850)

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The Transportation and Housing and Urban Development [THUD] appropriations bill for fiscal year 2011 provides \$1.3 billion less in budget authority [BA] than the President’s request, and \$500 million less than the current year. But this apparent “fiscal restraint” comes after a hefty 23-percent increase in 2010 for programs and agencies funded in this measure.

The bill provides a total of \$67.4 billion in BA, and \$136.4 billion in outlays, for highways, mass transit, and aviation, as well as public housing subsidies, rental aid, and housing financing activities for the Department of Housing and Urban Development.

The large gap between BA and outlays in the bill is due “obligation limitations” for certain transportation programs. These limits are a control on the use of mandatory budget authority that has been provided by the Transportation and Infrastructure Committee.

**Table 1: FY 2011 Transportation and HUD Appropriations Bill (THUD)**

(dollars in millions)

	2010 Enacted	2011 Request <sup>a</sup>	302(b) for 2011	H.R. 5850 <sup>a</sup>
<b>Discretionary Budget Authority</b>	<b>67,900</b>	<b>68,738</b>	<b>67,400</b>	<b>67,400</b>
Base	67,900	68,738	67,400	67,400
Emergencies	-	-	-	-
<b>Discretionary Outlays</b>	<b>137,116</b>	<b>135,269</b>	<b>136,446</b>	<b>136,428</b>
Base	134,342	135,269	136,446	136,428
Emergencies	2,774	-	-	-

<sup>a</sup> Includes advance appropriations of \$4.394 billion passed as part of the FY 2010 THUD Appropriations Act.

As reported, the measure is within its 302(b) suballocation, established following the Majority’s adoption of a 1-year “deeming” resolution that is substituting for a budget. The bill makes changes in mandatory spending, commonly known as “CHIMPS,” with \$155 million in increased BA and \$66 million in reductions, for a net increase of \$89 million in budget authority.

In addition, the bill includes fiscal year 2012 advance appropriations of \$4.4 billion in BA for housing programs: \$4.0 billion for tenant-based rental assistance, and \$400 million for project rental assistance.

Key elements of the bill include the following:

- *Department of Transportation.* H.R. 5850 provides \$20.3 billion in discretionary BA to the Department, a decrease of \$1 billion, or 5 percent, compared with the fiscal year 2010 enacted level. The measure also includes \$59 billion in obligation limitations, including \$45.2 billion for highways, \$ 8.96 billion for mass transit, and \$3.5 billion for aviation.
- *Department of Housing and Urban Development [HUD].* Under the bill, HUD would receive \$46.5 billion in BA (including a \$4.4-billion advance appropriation from the fiscal year 2010 THUD bill) an increase of \$462 million, or 1 percent, above the fiscal year 2010 level. This includes an increase of \$740 million over 2010 for renewals of tenant-based rental assistance; \$4.83 billion for the Public Housing Operating Fund, a \$54-million increase over the previous year; and \$9.3 billion for Project-Based Rental Assistance, an \$830-million increase over the fiscal year 2010 level.

**Table 2: Transportation and HUD Appropriations Bill (THUD)**  
(discretionary BA millions of dollars)

	2010 Enacted	2011 Request	2011 Reported	% Change Rept/2010	% Change Rept/Reqst
<b>Department of Housing and Urban Development</b>	<b>46,069</b>	<b>45,565</b>	<b>46,531</b>	<b>1.0%</b>	<b>2.1%</b>
Community Planning and Development	8,568	8,339	8,789	2.6%	5.4%
Public Housing and Indian Housing Program	30,423	32,242	32,479	6.8%	0.7%
Advance Appropriations from Prior Acts	4,400	4,394	4,394	-0.1%	0.0%
Other HUD	2,678	590	869	-67.6%	47.3%
<b>Department of Transportation</b>	<b>21,389</b>	<b>22,789</b>	<b>20,292</b>	<b>-5.1%</b>	<b>-11.0%</b>
Federal Aviation Administration	12,083	12,953	12,991	7.5%	0.3%
Federal Highway Administration	943	(263)	(36)	-103.8%	-86.3%
Federal Railroad Administration	4,360	2,856	3,507	-19.6%	22.8%
Federal Transit Administration	2,388	2,167	2,346	-1.8%	8.3%
Other Transportation Programs	1,615	5,076	1,484	-8.1%	-70.8%
<b>Other</b>	<b>444</b>	<b>385</b>	<b>579</b>	<b>30.4%</b>	<b>50.4%</b>
Other Independent Agencies	364	385	424	16.5%	10.1%
New Agency (Fannie Mae & Freddie Mac)	-	-	155	NA	NA
Supplemental Appropriations	80	-	-	-100.0%	NA
<b>Grand Total</b>	<b>67,900</b>	<b>68,738</b>	<b>67,400</b>	<b>-0.7%</b>	<b>-1.9%</b>

- *Highway Trust Fund Shortfall.* The Trust Fund again faces a shortfall because multiyear surface transportation authorizing bills – starting with the 1998 Transportation Equity Act for 21<sup>st</sup> Century [TEA-21], and continuing with the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy of Users [SAFETEA-LU] – caused outlays to exceed trust fund revenues. As a result, Congress has had to bail out the Highway Trust Fund three times in the past 2 years: \$8 billion in September 2008; \$7 billion in August 2009; and \$14.7 billion in March 2010 through the passage of the Hiring Incentives to Restore Employment [HIRE] Act [Public Law 111-147]. H.R. 5850 continues to set spending levels that the trust fund cannot sustain.
- *Transit Program Budget Problems.* The HIRE Act also provides funding for the Federal Transit Administration’s Formula and Bus Grants program, but only for the first 3 months of fiscal year 2011. The Congressional Budget Office baseline for the program is

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\$8.36 billion, which is four times the 3-month spending level set by the HIRE Act. But H.R. 5850 provides an obligation limitation of \$8.961 billion, which is \$601 million above the baseline, and for which no legal spending authority currently exists. This means the Transportation and Infrastructure Committee [T&I] will have to provide the necessary matching contract authority. Due to the lack of a budget this year, however, the T&I Committee is still bound by S. Con. Res. 13, the budget resolution for fiscal year 2010. This leaves it no room to accommodate the additional allocation, unless an offset can be found.

- *Livable Communities.* In addition to focusing more existing program funding on such goals as “livability” and “sustainability,” H.R. 5850 also funds the President’s request to establish a new \$20-million “Office of Livable Communities” and a related grant program. Besides its unnecessary cost, and the vague definitions of “livability,” there is strong concern that this initiative will be used to insert the Federal Government into local land use and zoning decisions that have always been the province of State and local governments.