



Legislative Bulletin.....June 26, 2012

H.R. 5972 — FY 2013 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act

BY THE NUMBERS:

In Millions of Dollars

	FY12	FY13 Request	FY13 Committee	Cmte v. Request	Cmte v. FY12
Appropriations	55,550	53,479	51,606	-1,873	-3,944
<i>Emergency Approps</i>	1,762	0	0	0	-1,762
Total	57,312	53,479	51,606	-1,873	-5,706

Excluding Emergency Appropriations, the Committee Bill is on net*:

*see page 2 for explanation

- **\$1.9 billion or 3.5% less than the request**
- **\$3.9 billion or 7.1% less than last year**

Spending Discussion: The bill provides a net total spending level in FY 2013 of \$51.6 billion, \$3.9 billion (or 7.1%) less than last year. Increases for programs under the bill are offset with higher expected offsetting receipts within the Department of Housing and Urban Development (mostly the Federal Housing Administration), which would grow from \$5.8 billion in 2012 to \$11.2 billion in 2013.

The House Appropriations Committee approved 302(b) allocations for the twelve spending bills that total \$1.028 trillion—consistent with the 302(a) allocation provided under the FY 2013 House-passed budget resolution. This allocation is a \$19 billion cut compared to the *cap* under the Budget Control Act, and a \$15 billion cut compared to last year. The RSC Budget’s 302(a) would have been \$931 billion (\$97 billion lower).

Advance Appropriations: The legislation provides \$4.4 billion of advance appropriations, \$4 billion for Public and Indian Housing (same as last year and President’s request).

Order of Business: H.R. 5972 is scheduled to be considered under an open rule (H.Res. 697) that provides for one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Appropriations. The bill will be considered for amendment under the five-minute rule. The rule also waives Clause 2 of Rule 21, except for section 169C (regarding fuel for vehicle operations), which prevents appropriations bills from containing unauthorized appropriations or legislative provisions.

Take-Away Points:

\$51.6 Billion Net Spending: The legislation provides a *net* of \$51.6 billion in appropriations for programs under the FY 2013 Transportation-HUD bill. This is a decrease of \$3.9 billion compared to last year.

Higher Expected Collections from the Federal Housing Administration (FHA): Despite the net decrease compared to last year noted above, total funding for many individual programs in the bill increases. Department of Housing and Urban Development (mostly Federal Housing Administration) offsetting receipts are estimated by CBO to increase from \$5.8 billion to \$11.2 billion due to lower anticipated defaults. The projected savings are used to pay for the higher spending in the bill.

Highway Funding: The bill provides \$39.1 billion for federal aid to highways, the same as last year.

Elimination of Native Hawaiian Block Grants Program: The legislation eliminates this program, which saves \$13 million. Many conservatives have historically sought to eliminate this program.

Spending Increases of Note:

- Amtrak: \$1.8 billion—\$384 million above last year.
- Washington Metropolitan Transit Authority: \$150 million—the same as last year and \$15 million more than the President’s request.
- Essential Air Service: \$214 million—same as President’s request, and \$71 million (or 49%) above last year.
- Tenant-based Rental Assistance: \$19.1 billion—\$60 million more than the President’s request and \$219.9 million more than last year.
- Community Development Block Grant: \$3.34 billion—\$396 million more than both last year and the President’s request.
- Neighborhood Reinvestment Corporation: \$225.3 million—\$10 million more than last year and \$12.3 million more than the request.

Funding Summaries:

In Thousands

	FY 2012 Enacted	FY 2013 Request	FY 2013 Cmte	Cmte vs FY 2012	Cmte vs Request	Cmte vs FY 2012	Cmte vs Request
Transportation Department							
Office of the Secretary.....	779,591	783,412	260,569	-519,022	-522,843	-66.6%	-66.7%
Federal Aviation Administration.....	12,551,682	12,747,000	12,642,596	90,914	-104,404	0.7%	-0.8%
Facilities & Equipment.....	2,730,731	2,850,000	2,749,596	18,865	-100,404	0.7%	-3.5%
Research, Engineering, and Development.....	167,556	153,816	148,816	-18,740	-5,000	-11.2%	-3.3%
Grants-in-Aid for Airports.....	3,435,000	3,400,000	3,400,000	-35,000	----	-1.0%	----
Operations.....	9,653,395	9,718,000	9,718,000	64,605	----	0.7%	----
Federal Highway Administration, Total.....	41,544,583	42,569,000	39,882,583	-1,662,000	-2,686,417	-4.0%	-6.3%
Federal Motor Carrier Safety Admin., Total.....	554,724	580,000	551,144	-3,580	-28,856	-0.6%	-5.0%
National Highway Traffic Safety Admin., Total.....	249,646	338,000	274,360	24,714	-63,640	9.9%	-18.8%
Federal Railroad Administration, Total.....	1,631,596	2,731,108	2,015,108	383,512	-716,000	23.5%	-26.2%
Amtrak.....	1,418,000	----	1,802,000	384,000	1,802,000	27.1%	NA
Federal Transit Administration, Total.....	2,189,213	2,554,552	2,008,102	-181,111	-546,450	-8.3%	-21.4%
Washington Metropolitan Area Transit Authority.....	150,000	135,000	150,000	----	15,000	----	11.1%
Maritime Administration.....	313,498	344,048	337,503	24,005	-6,545	7.7%	-1.9%
Pipeline and Hazardous Materials Safety Admin.....	42,338	50,673	42,546	208	-8,127	0.5%	-16.0%
Surface Transportation Board.....	28,060	30,000	30,000	1,940	----	6.9%	----
Housing and Urban Development Department							
Tenant-based Rental Assistance.....	18,914,369	19,074,283	19,134,283	219,914	60,000	1.2%	0.3%
Native American Housing Block Grants.....	650,000	650,000	650,000	----	----	----	----
Native Hawaiian Housing Block Grant.....	13,000	13,000	----	-13,000	-13,000	NA	NA
Housing Opportunities for Persons with AIDS.....	332,000	330,000	330,000	-2,000	----	-0.6%	----
Community Development Block Grants/Fund.....	2,948,090	2,948,090	3,404,000	455,910	455,910	15.5%	15.5%
Home Investment Partnerships Program.....	1,000,000	1,000,000	1,200,000	200,000	200,000	20.0%	20.0%
Homeless Assistance Grants.....	1,901,190	2,231,000	2,000,000	98,810	-231,000	5.2%	-10.0%
Self-Help Homeownership Program.....	53,500	----	60,000	6,500	60,000	12.1%	NA
Housing for the Elderly.....	374,627	475,000	425,000	50,373	-50,000	13.4%	-10.5%
Housing for Persons with Disabilities.....	165,000	150,000	165,000	----	15,000	----	10.0%
Housing Counseling Assistance.....	45,000	55,000	45,000	----	-10,000	----	-18.2%
Rental Housing Assistance.....	9,339,672	8,700,400	8,700,400	-639,272	----	-6.8%	----
Research and Technology.....	46,000	52,000	52,000	6,000	----	13.0%	----
Lead Hazard Reduction.....	120,000	120,000	120,000	----	----	----	----
Fair Housing Activities.....	70,847	68,000	68,000	-2,847	----	-4.0%	----
Working Capital Fund.....	199,035	170,000	175,000	-24,035	5,000	-12.1%	2.9%
Independent Agencies							
Access Board.....	7,400	7,400	7,400	----	----	----	----
Federal Maritime Commission.....	24,100	26,000	25,000	900	-1,000	3.7%	-3.8%
National Transportation Safety Board.....	102,400	102,400	102,400	----	----	----	----
Neighborhood Reinvestment Corporation.....	215,300	213,000	225,300	10,000	12,300	4.6%	5.8%

Items of Note:

Native Hawaiian Housing Block Grant: No funding provided in the bill. This is \$13 million below both the President's request and last year. This federal program provides Native Hawaiians federal housing block grant funds for construction or reconstruction of affordable housing, down payment and closing cost assistance, direct lending or interest subsidies, housing counseling, tenant-based rental assistance and safety activities. Providing additional housing assistance to this group would not only be duplicative of numerous current federal housing programs available to individuals, but is also likely unconstitutional. Therefore, many conservatives would agree with not providing funding for this program.

Amtrak: \$1.8 billion—\$384 million or 27.0% above last year. Amtrak was created by Congress in 1970. Since then, it has received \$37 billion in federal subsidies. Taxpayer subsidies enable Amtrak to avoid other necessary reforms that would enable the corporation to turn a profit. For example, in one year, Amtrak lost \$600 million on long-distance trains (on these routes Amtrak cannot compete with other, more economical modes of transportation). Amtrak also has taken losses of between \$75 million and \$158 million a year on its sleeper car service, as well as losses of \$80 million (in one year) on food. The 1997 Amtrak authorization law required Amtrak to operate free of subsidies by 2002, yet Congress continued to provide subsidies thereafter anyway.

Essential Air Service: \$214 million—\$71 million or 49.6% above last year, and the same as the President's request. This program subsidizes flights that are often more empty than full, with taxpayers footing up to 93% of the cost of a flight (see this [article](#)).

Washington Metropolitan Area Transit Authority: \$150.0 million—the same as last year, and \$15 million or 11.1% above the President's request. The Passenger Rail Investment and Improvement Act of 2008 authorized \$1.5 billion over ten years for Washington Metropolitan Area Transit Authority (WMATA) capital and preventative maintenance projects. The earmark created by that legislation rewards Metro's poor performance with a large funding stream, while enabling the system to put off essential reforms. In addition, this program is a transfer of wealth from the rest of the country (median income \$48,201) to the Washington DC region (median-income \$78,978). For more information on this program, see [this](#) RSC Policy Brief.

Community Development Block Grant: \$3.34 billion—\$396 million or 13.5% more than last year and the President's request. Many conservatives argue that this spending falls under the category of state, local, or non-governmental responsibilities. The [RSC Spending Reduction Act](#) proposed to eliminate the program.

Federal Aid to Highways: \$39.1 billion, which is the same as last year.

Tenant-based Rental Assistance: \$19.1 billion—\$60 million (or 0.3%) more than the President requested and \$219.9 million (or 1.1%) more than last year.

ACORN Funding Prohibition: The legislation prohibits any of the funds made available under this Act or any prior Act to be provided to the Association of Community Organizations for Reform Now, or any of its affiliates, subsidiaries, or allied organizations.

Conservative Concern: The legislation increases funding for many programs that conservatives have historically sought to eliminate. This includes a \$384 million (or 27%) increase for Amtrak, a \$71 million (or 49%) increase for the Essential Air Service (same as the President’s request), and a \$396 million (or 13.5%) increase over last year and compared to the President’s request for the Community Development Block Grant program (CDBG). The legislation also provides \$150 million for the Washington Metropolitan Transit Authority—the same as last year and \$15 million above the President’s request.

On the other hand, the legislation eliminates at least one federal program that many conservatives oppose: the Native Hawaiian Housing Block Grant program. The legislation, on net, reduces spending by \$3.9 billion compared to last year. Within that figure, Department of Housing and Urban Development (mostly Federal Housing Administration) offsetting receipts are estimated by CBO to increase from \$5.8 billion to \$11.2 billion due to lower anticipated defaults. The projected savings are used to pay for the higher spending in the bill.

Earmarks: According to the committee report, the legislation contains no earmarks.

Committee Action: H.R. 5972 was reported out of the House Appropriations Committee as an original measure on June 20, 2012.

Cost to Taxpayers: The bill appropriates a net total of \$51.6 billion in FY 2013, after accounting for the spending increases and decreases and offsetting receipts.

Does the Bill Expand the Size and Scope of the Federal Government?: The bill contains some provisions that increase the size of the federal government, and some that reduce it.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: No CBO score is available listing any possible mandates.

Constitutional Authority: The House Appropriations Committee states:

“Pursuant to section 6(e) of the rules of the Committee on Appropriations, the following statement is submitted regarding the specific powers granted to Congress in the Constitution to enact the accompanying bill: The principal constitutional authority for this legislation is clause 7 of section 9 of article I of the Constitution of the United States (the appropriation power), which states: ‘No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law . . .’ In addition, clause 1 of section 8 of article I of the Constitution (the spending power) provides: ‘The Congress shall have the Power . . . to pay the Debts and provide for the common Defense and general welfare of the United States . . .’ Together, these specific constitutional

provisions establish the congressional power of the purse, granting Congress the authority to appropriate funds, to determine their purpose, amount, and period of availability and to set forth terms and conditions governing their use.”

The committee did not cite constitutional authority for the various spending items themselves. Clearly the congressional power to spend money does not imply a power to spend money on anything. As Madison put it:

"If Congress can do whatever in their discretion can be done by money, and will promote the General Welfare, the Government is no longer a limited one, possessing enumerated powers, but an indefinite one, subject to particular exceptions." --James Madison, letter to Edmund Pendleton, 1792

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