



# H.R. 2577—Fiscal Year 2016 Transportation, Housing and Urban Development Appropriations (Diaz-Balart, R-FL)

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**FLOOR SCHEDULE:** H.R. 2577 IS EXPECTED TO BE CONSIDERED AS SOON AS JUNE 3, 2015, UNDER A **MODIFIED-OPEN RULE** PERMITTING ALL GERMANE AMENDMENTS TO BE CONSIDERED. THE RULE PROVIDES FOR ONE HOUR OF GENERAL DEBATE. ALL AMENDMENTS WILL BE DEBATABLE FOR 10 MINUTES, WITH TIME EQUALLY DIVIDED. MEMBERS WHO HAVE PRE-PRINTED THEIR AMENDMENTS IN THE CONGRESSIONAL RECORD WILL BE GIVEN PRIORITY IN RECOGNITION.

IN ADDITION TO H.R. 2577, THE RULE ALSO PROVIDES FOR A MODIFIED-OPEN RULE FOR H.R. 2578, THE FY 2016 CJS APPROPRIATIONS BILL.

## TOPLINE SUMMARY

*In thousands of dollars*

	FY15 House Level	FY15 Enacted	FY16 President Request	FY16 House Level
<b>Net Total Base Discretionary</b>	3,325,891	3,341,401	3,513,692	3,341,401

Net Total Base Discretionary Budget Authority is:

- \$9.738 billion below the president’s budget request.
- \$1.49 billion above the enacted FY 2015 level.
- \$3.233 billion above the level proposed by the Appropriations Committee for FY 2015.

The bill would provide a net total of \$55.262 billion in discretionary budget authority. Additionally, the bill would provide obligation limitations for the various transportation trust funds of \$53.46 billion, an amount that is \$26 million below current levels. The bill would provide a grand total of \$108.722 billion of budgetary resources.

The committee report can be found [here](#), and the text of the legislation can be found [here](#).

**CONSERVATIVE CONCERNS:** Some conservatives may be concerned that the bill funds programs that the House-passed budget proposed to eliminate, including TIGER Grants, the Essential Air Service program, and Amtrak operating subsidies.

Some conservatives may be concerned that the bill provides funding for certain programs that many conservatives have traditionally opposed, including Amtrak operating subsidies, subsidies for the D.C. Metro, Transit New Starts, Public Housing capital and operating subsidies, and Community Development Block Grants.

Some conservatives may be concerned that virtually the entire bill is unauthorized. Much of the unauthorized amount is concentrated in the Department of Transportation, whose aviation and surface transportation programs are set to expire this fiscal year. The committee report makes clear throughout the Transportation title that funding is contingent upon enactment of FAA and highway reauthorizations, but notably much of the HUD title has not been authorized in 20 years.

- **Expand** the Size and Scope of the Federal Government?: No
- **Encroach** into State or Local Authority?: Some conservatives may believe that some programs funded in this bill would be more appropriately supported by state governments.
- **Delegate** Any Legislative Authority to the Executive Branch?: No
- **Contain** Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: No, according to the committee report.

**DETAILED SUMMARY AND ANALYSIS:**

**Title I: Department of Transportation**

*Net Total Discretionary in Thousands of Dollars*

FY15 House Level	FY15 Enacted	FY16 President Request	FY16 House Level	FY16 vs 15 House	FY16 vs 15 Enacted	FY16 vs President
16,730,564	17,801,196	24,008,484	17,180,939	+ 450,375	- 620,257	- 6,827,545

The bill would provide \$17.181 billion in discretionary appropriations for the Department of Transportation, a level \$6.828 billion below the president’s budget request, \$620 million below the FY 2015 enacted level, and \$450 million above the level proposed by the House Appropriations Committee for FY15.

**TIGER Grants (National Infrastructure Investment Program):** The bill would provide \$100 million for the National Infrastructure Investment program (more commonly known as TIGER Grants), a level that is \$1.15 billion below the president’s budget request, \$400 million below the FY15 enacted level, and equal to the level proposed by the House Appropriations Committee for FY15.

TIGER Grants were created by the president’s failed Stimulus law. The House Republican Budget recommends eliminating TIGER grants. The program is particularly problematic because projects are selected by the administration often for political purposes (Democrat districts have received 69 percent of funding) and go towards projects that would be more appropriately funded by state or local governments. The GAO has found problems with the funding decisions made by the administration under this program. Several outside groups support eliminating TIGER Grants, including Heritage, and Reason Foundation.

**Essential Air Service (EAS):** EAS would be appropriated \$155 million, a level that is \$20 million below the president’s budget request, equal to the FY15 enacted level, and \$6 million above the level proposed by the House Appropriations Committee for FY15. EAS also receives \$100 million in mandatory funding, for a total funding level of \$249 million.

Past THUD bill have capped the per-passenger subsidy, but this bill does not. This program heavily subsidizes flights to and from rural areas—often at a cost of several hundred dollars per passenger. The [House Republican Budget](#) recommended phasing out the EAS. The [RSC's budget](#) calls for eliminating EAS, explaining “the federal government should not be borrowing money to provide air service to areas of the country where the market will not support it.” Several conservative organizations support eliminating EAS, including [Cato](#), [Citizens Against Government Waste](#), [FreedomWorks](#), [Heritage Action](#), and [National Taxpayers Union](#).

**Federal Aviation Administration (FAA):** The FAA would be appropriated a total of \$12.504 billion, a level that is \$432 million below the president’s budget request, \$137 million above to the FY15 enacted level, and \$128 million above the level proposed by the House Appropriations Committee for FY15. Part of the FAA’s budget is derived from the Airport and Airway Trust Fund while part is drawn from the General Fund.

**Contract Towers:** The bill would include \$154 million for the Contract Tower program.

**Grants-in-Aid for Airports:** The bill would include a \$3.35 billion limitation on obligations for grants-in-aid for airports, \$450 million above the president’s request and equal to the current FY 15 level.

**Federal Highway Administration (FHWA):** The FHWA is funded via the Highway Trust Fund; annual appropriations bills establish limitations on obligations, which are the funding levels for programs and activities in the FHWA. The bill makes explicit that funds made available under this Act for the FHWA are contingent upon reauthorization of a highway bill.

The bill would provide an obligation limitation of \$40.256 billion for federal highway funding, a level that is \$9.812 billion below the president’s budget request, equal to the FY15 enacted level, and equal to the level proposed by the House Appropriations Committee for FY15.

According to the [CBO](#), the Highway Account in the Highway Trust Fund is projected to bring in \$35 billion in FY16.

**Federal Railroad Administration (FRA):** The FRA would be appropriated \$187 million for safety and operations, a level that is \$17 million below the president’s budget request, equal to the FY15 enacted level, and \$ 2 million above the level proposed by the House Appropriations Committee for FY15.

**Positive Train Control:** Section 104 of the Rail Safety Improvement Act (RSIA) of 2008 required certain freight and passenger railroads to deploy positive train control systems by December 31, 2015. However, the committee report notes that “FRA’s Acting Administrator acknowledged that full system build-out of PTC will not occur by the deadline.”

**Amtrak (National Railroad Passenger Corporation):** The bill would provide Amtrak a total of \$1.138 billion in subsidies. Within this total, \$288.5 million is for operating subsidies and \$850 million is for capital and debt service subsidies.

Taxpayers have provided more than \$44 billion in subsidies to Amtrak since it was created by Congress in 1970, despite the fact it is “[legally a for-profit company](#)”. The railroad service is notoriously a poor fiscal manager, losing \$60 million on food and beverage service alone in 2015. The [House Republican Budget](#) recommended eliminating Amtrak’s operating subsidies. The [RSC's budget](#) calls for the elimination of Amtrak funding, stating that “Amtrak has no incentive to improve its performance if it knows that it will be able to count on the taxpayers for a bailout each year. The federal government should not force the taxpayers to subsidize Amtrak,

which should be privatized.” Several conservative groups have supported ending subsidies for Amtrak, including [Americans for Prosperity](#), [Americans for Tax Reform](#), [Cato](#), [Citizens Against Government Waste](#), [Competitive Enterprise Institute](#), [FreedomWorks](#), [Heritage](#), [Mercatus](#), and [National Taxpayers Union](#).

**Transit:** Transit Formula Grants is funded via the Mass Transit account of the Highway Trust Fund; annual appropriations bills establish limitations on obligations, which are the funding levels for the formula grants that subsidize local transit projects.

The bill would provide an obligation limitation of \$8.595 billion for transit formula grants, a level that is \$5.205 billion below the president’s budget request, equal to the FY15 enacted level, and equal to the level proposed by the House Appropriations Committee for FY15.

According to the [CBO](#), the Mass Transit account in the Highway Trust Fund is projected to bring in \$5 billion in FY16.

**Transit New Starts (Capital Investment Grants):** New Starts would be appropriated \$1.921 billion, a level that is \$1.329 billion below the president’s budget request, \$199 million below the FY15 enacted level, and \$230 million above the level proposed by the House Appropriations Committee for FY15.

The [New Starts](#) program provides funds for the construction of local fixed-guideway public transportation systems. Often this program funds streetcar systems, such as the H Street Streetcar [boondoggle](#) in Washington, D.C. Much like other discretionary (non-formula) programs, projects are selected by the administration often for political purposes. The program “[gives transit agencies](#) incentives to choose high-cost” systems instead of more cost-effective options and “[to get as much](#) New Starts money as possible, transit agencies have planned increasingly expensive rail projects”. In 2010, the Obama administration “[scrapped](#) a George W. Bush-era rule that had weighed funding decisions most heavily on whether transportation projects were cost-effective and would reduce commuting time.” Several outside groups support eliminating New Starts, including [Heritage](#), and [Cato](#).

**Washington Metropolitan Transit Authority (WMATA).** The bill would provide \$100 million for subsidies to Washington’s Metro system, a level that that is \$50 million below the president’s budget request, \$50 million below the FY15 enacted level, and \$50 million below the level proposed by the House Appropriations Committee for FY15.

No other local transit system receives dedicated maintenance and capital funding in this appropriations bill. The [RSC’s budget](#) calls for the elimination of Metro funding, stating that “the federal government should not be directly subsidizing the public transit system of one of the most affluent cities in the United States.” Several conservative organizations oppose Metro’s dedicated funding stream, including [Citizens Against Government Waste](#), [FreedomWorks](#), and [Heritage](#).

**Title II: Department of Housing and Urban Development**

*Net Total Discretionary in Thousands of Dollars*

FY15 House Level	FY15 Enacted	FY16 President Request	FY16 House Level	FY16 vs 15 House	FY16 vs 15 Enacted	FY16 vs President
34,952,390	35,621,086	40,640,465	37,739,343	+ 2,786,953	+ 2,118,257	- 2,901,122

The bill would provide \$37.739 billion in discretionary appropriations for the Department of Housing and Urban Development, a level \$2.901 billion below the president's budget request, \$2.118 billion above the FY 2015 enacted level, and \$2.787 billion above the level proposed by the House Appropriations Committee for FY15.

**Tenant-Based Rental Assistance (Section 8 Program):** Tenant-Based Rental Assistance, commonly known as the Section 8 Program, would be appropriated \$19.919 billion, a level that is \$1.205 billion below the president's budget request, \$614 million above the FY15 enacted level, and \$562 million above the level proposed by the House Appropriations Committee for FY15. The Section 8 program has not been authorized since 1994.

**Public Housing Capital Fund:** The Public Housing Capital Fund would be appropriated \$1.681 billion, a level that is \$289 million below the president's budget request, \$194 million below the FY15 enacted level, and \$94 million below the level proposed by the House Appropriations Committee for FY15. This program provides funding for local public housing, including replacing roofs, windows, electrical, plumbing, renovating apartment interiors, and improving common areas. The RSC Budget recommended reducing funding for this program because these activities are better left to state and local governments. This program has not been authorized since 2003.

**Public Housing Operating Fund:** The Public Housing Operating Fund would be appropriated \$4.44 billion, a level that is \$160 million below the president's budget request, equal to the FY15 enacted level, and \$40 million above the level proposed by the House Appropriations Committee for FY15. This program provides operating subsidies to local public housing projects, including utility costs, anti-crime and anti-drug activities, maintenance and administrative cost, and general operating expenses. This program has not been authorized since 2003.

**Native American Housing Block Grants:** The Native American Housing Block Grant program would be appropriated \$650 million, a level that is \$10 million below the president's budget request, equal to the FY15 enacted level, and equal to the level proposed by the House Appropriations Committee for FY15.

**Housing Opportunities for Persons with AIDS (HOPWA):** HOPWA would be appropriated \$332 million, a level that is equal to the president's budget request, \$2 million above the FY15 enacted level, and \$26 million above the level proposed by the House Appropriations Committee for FY15. This program provides states and local governments funding to provide housing to low-income persons with HIV/AIDS.

**Community Development Block Grants (CDBG):** The Community Development Fund, which funds CDBG, would be appropriated \$3.06 billion, a level that is \$180 million above the president's budget request, \$6 million below the FY15 enacted level, and equal to the level proposed by the House Appropriations Committee for FY15.

CDBG has not been authorized since 1994. The RSC Budget recommended reducing funding for CDBG, explaining that it had funded wasteful projects such as "doggie daycare, a local circus, and decorative sidewalks in an affluent suburb." Several conservative organizations have supported reducing CDBG funds, such as [Americans for Prosperity](#), [Cato](#), [Citizens for Government Waste](#), [FreedomWorks](#), [Heritage Foundation](#), and [Taxpayers for Common Sense](#).

**HOME Investment Partnership:** The HOME Investment Partnership program would be appropriated \$900 million, a level that is \$160 million below the president's budget request, equal to the FY15 enacted level, and \$200 million above level proposed by the House Appropriations Committee for FY15. This program provides grants to state and local governments to expand affordable housing by purchasing or building new housing or providing rental assistance.

**Homeless Assistance Grants:** Homeless Assistance Grants would be appropriated \$2.185 billion, a level that is \$295 million below the president's budget request, \$50 million above the FY15 enacted level, and \$80 million

above the level proposed by the House Appropriations Committee for FY15. These programs have not been authorized since 2011.

**Project-Based Rental Assistance (PBRA):** PRA is appropriated \$10.654 billion, a level that is \$106 million below the president’s budget request, \$924 million above the FY15 enacted level, and \$908 million above the level proposed by the House Appropriations Committee for FY15. This program provides federal dollars to subsidized housing units.

**Federal Housing Administration (FHA):** The FHA is not funded through appropriations; instead it is funded from the income it earns on its mortgage insurance portfolio. The bill sets a limitation on the loan guarantees the FHA’s Mutual Mortgage Insurance Program on \$400 billion. The FHA produces a net total of \$7.627 billion in receipts that are used to offset spending in this bill, about \$1.116 billion lower than the FY15 level.

The bill includes a provision that prohibits the FHA from financing or refinancing any loan that has been seized by a local or state government using eminent domain.

**Government National Mortgage Association (GNMA):** GNMA, better known as Ginnie Mae, is a government sponsored enterprise (GSE) that guarantees mortgage-backed securities that are made up of mortgages insured or guaranteed by the federal government. Ginnie Mae is not funded by appropriations, but is funded by the income from its operations. The bill recommends a limitation on guaranteed loans of \$500 billion in FY2016. GNMA produces a net total of \$863 million in receipts that are used to offset spending in the bill.

**FHA and GNMA Offsetting Receipts:** Together, the receipts from the FHA and GNMA that are used to offset additional spending in this bill total \$8.643 billion. This is \$1.084 billion lower than the current FY15 level. The reduced receipts assumed by the CBO in FY2016 means that a similar level of gross appropriations leads to a higher net total of discretionary spending subject to the spending caps than in the current fiscal year. [CRS](#) has additional information on this issue as it related to the FY15 bill.

**Title III: Related Agencies**

*Net Total Discretionary in Thousands of Dollars*

FY15 House Level	FY15 Enacted	FY16 President Request	FY16 House Level	FY16 vs 15 House	FY16 vs 15 Enacted	FY16 vs President
346,046	349,718	350,909	341,718	- 4,328	- 8,000	- 9,191

The bill would provide \$342 million in discretionary appropriations for the related agencies funded in the bill, a level \$9 million below the president’s budget request, \$8 million below the FY 2015 enacted level, and \$4 million below the level proposed by the House Appropriations Committee for FY15.

The agencies funded by this title are the United States Access Board, the Federal Housing Finance Agency, the Federal Maritime Commission, the National Transportation Safety Board, the Neighborhood Reinvestment Corporation, and the U.S. Interagency Council on Homelessness.

**High Speed Rail in California:** The bill includes a provision that would prohibit the Surface Transportation Board to take any actions with respect to the construction of the high speed rail in California unless the Board has jurisdiction over the entire project (Sec. 192).

**Cuba Flights:** The bill includes a provision that would prohibit funds to facilitate new air transportation from the U.S. that would land on or pass through property that has been confiscated by the Cuban Government (Sec. 193).

**Trucking Regulations:** The bill includes several riders that block regulations on the trucking industry, including:

- A provision that allow trucks weighing up to 129,000 pounds on Idaho Interstates, as opposed to the current 105,500 pound limit in that state (Sec. 124).
- A provision that would permit trucks hauling double 33 foot trailers, as opposed to the current 28 foot limitation (Sec. 125).
- A provision that would extend a truck weight exemption for Kansas, similar to those available to Wyoming, Ohio, Alaska, Iowa and Nebraska (Sec. 126).
- A provision that would delay the implementation of the “[hours of service](#)” regulation pending the completion of an ongoing study regarding the results of that regulation (Sec. 123).
- A provision that would prohibit funds from being used to issue proposed regulations that would increase the federally mandated levels of minimum financial responsibility coverage for truckers from \$750,000 to \$4.5 million (Sec. 134). An industry letter on this provision can be found [here](#).

**National Roadside Survey:** The bill would continue a provision that prohibits funds for the [National Roadside Survey](#) (Sec. 143).

**GPS Tracking:** The bill would continue a provision that would prohibit funds to mandate global positioning system (GPS) tracking in passenger vehicles without the appropriate consideration of privacy (Sec. 144).

**Unauthorized Appropriations:** The bill provides \$106 billion in appropriations and obligations for 55 programs that are not authorized. Eleven unauthorized programs receive \$928 million in appropriations above their current FY15 enacted levels.

Much of the unauthorized amount is concentrated in the Department of Transportation, whose aviation and surface transportation programs are set to expire this fiscal year. The committee report makes clear throughout the transportation title that funding is contingent upon enactment of FAA and highway reauthorizations, but notably much of the HUD title has not been authorized in 20 years.

*All Dollar amounts in Thousands*

Title of the Bill	Unauthorized Programs funded by the bill	Total Unauthorized Appropriations		Programs that Receive more than FY15 Enacted	Total Increases in Programs that Receive more than Enacted
Transportation	31	70,952,646		6	215,785
HUD	22	35,109,700		5	711,900
Related Agencies	2	111,529		0	0
<b>Total</b>	55	106,173,875		11	927,685

**COMMITTEE ACTION:** The House Appropriations Committee marked up H.R. 2577 on [May 13, 2015](#), and approved the bill by a voice vote. The committee additionally held a number of [oversight hearings](#).

**ADMINISTRATION POSITION:** According to the [statement of administration policy](#), "if the President were presented with H.R. 2577, his senior advisors would recommend that he veto the bill".

**CONSTITUTIONAL AUTHORITY:** "Congress has the power to enact this legislation pursuant to the following: 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 Defence 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."

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**NOTE:** *RSC Legislative Bulletins are for informational purposes only and should not be taken as statements of support or opposition from the Republican Study Committee.*

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