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## Appropriations Policy Brief

### H.R. 3074 — Transportation, Housing and Urban Development, and Related Agencies Appropriations Act for FY 2008

#### BY THE NUMBERS:

*In Millions of Dollars*

	<b>FY07</b>	<b>FY08 Bush Request</b>	<b>FY08 Committee</b>	<b>Cmte v. Request</b>	<b>Cmte v. FY07</b>
Appropriations	47,538	47,963	50,738	2,775	3,200
<i>Emergency Approps</i>	0	0	0	0	0
<b>TOTAL</b>	47,538	47,963	50,738	2,775	3,200

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

- **\$2.8 billion or 5.8% more than the request**
- **\$3.2 billion or 6.7% more than last year**

**Budget Compliance:** According to CBO, the bill is within the 302(b) allocation of the THUD Subcommittee and thus complies with the Budget Act. However, the bill relies on a number of rescissions from various federal transportation and housing programs, to stay within its 302(b) allocation, that produce no outlay savings.

Specifically, the bill rescinds roughly \$3.7 billion in transportation contract authority (CA) and \$1.3 billion for the Housing Certificate Fund. However, CBO does not score these rescissions as producing any real *outlay* savings because the money was not going to be spent (i.e. result in outlays to the Treasury)—and thus the taxpayer is not made whole for the new spending elsewhere in the bill that the rescissions “pay” for. Some conservatives may be concerned that actual spending by the federal government will not be reduced by one penny by these rescissions and that the maneuver amounts to a gimmick to comply with the budget resolution.

In fact, according to a CBO report, “an often-heard criticism of budgetary practice [in the past] is that the rescissions intended to offset supplementals were merely write-offs of budget authority that, for a variety of reasons, would probably never have been spent....Many people question the use of such items as offsets, because even though the new supplemental budget authority may be offset, the new supplemental outlays are not.” [CBO, Supplemental Appropriations in the 1990s](#)

## **Earmarks:**

A list of earmarks are included as part of the [Manager's Amendment](#).

## **Items of Note:**

**Federal Highway, Administrative Expenses:** Increases the limitation on administrative expenses from \$361 million in FY 2007 to \$385 million in FY 2008—the same level as the President's budget request and an increase of \$24 million or 6.6 percent compared to last year.

**Amtrak, Operating Grants:** \$475 million—\$15.5 million below FY 2007, and \$475 million more than the President's request.

The Committee Report (p. 71) directs Amtrak to report back to the House within 60 days “on current recycling efforts and the Corporation's plans to improve recycling throughout its operations.”

**Amtrak, Capital and Debt Service Grants:** \$925 million—\$153 million or 20 percent more than FY 2007 and \$425 million or 85 percent more than the President's request.

**Intercity Passenger Rail Grant Program:** \$50 million—\$50 million more than FY 2007 and \$50 million less than the President's request.

**Formula and Bus Grants, Obligation Limitation:** \$7.9 billion—\$610 million or 7.7 percent more than FY 2007 and \$1 million above the President's request.

**Tenant-Based Rental Assistance:** \$16.3 billion—\$403 million or 2.5 percent more than FY 2007 and \$330 million or 2.1 percent above the President's request.

**Native Hawaiian Housing Block Grant:** \$8.7 million—same as FY 2007 and \$2.8 million or *47 percent* more than the President's request. 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. Native Hawaiians are a racial group, not a tribe, and dispensing benefits to them would likely be subject to strict scrutiny in Federal courts. Providing additional housing assistance to this group is not only duplicative of numerous current federal housing programs available to all individuals, but is also likely unconstitutional. The FY 2007 RSC budget proposed to eliminate this program.

**Rural Housing and Economic Development:** \$16.8 million—same as FY 2007 and \$16.8 million more than the President's request.

**Community Development Fund:** \$4.2 billion—\$408 million or 10.8 percent more than FY 2007 and \$1.1 billion or 38 percent more than the President's request.

**Essential Air Service (EAS):** \$109 million—same level as FY 2007 and \$60 million or *119 percent* more than the President's request. The EAS was created by the Airline Deregulation Act of 1978 to ensure that certain communities that had been receiving mandated flights prior to deregulation continued to receive a certain level of service. It provides federal subsidies to air carriers serving some 150 communities located more than 70 miles from the nearest medium or large hub airport and if the per passenger subsidy is \$200 or less. This program was originally

intended to provide small communities temporary assistance in order to adjust to airline deregulation. Currently, the per-passenger subsidy has fluctuated from \$14 to \$385, even as the number of passengers served has declined since 2001. The FY 2007 RSC budget proposed to eliminate EAS.

**Federal Aviation Administration (FAA):** \$8.7 billion—\$342 million or 4.1 percent more than FY 2007 and \$9 million or 1 percent less than the President’s request. The FAA is responsible for managing U.S. air transportation. Numerous Government Accountability Office studies have outlined inefficiencies at FAA including, impractical hiring practices, security weaknesses that threatened the confidentiality of FAA systems, poor management controls over enforcing safety regulations, and ineffective computer security. In addition, the FAA’s recent attempts to modernize operations have cost billions of dollars and provided very little results. Several countries, including Canada, have privatized air traffic control operations, which produces significant government savings and a much more efficient operation. The FY 2007 RSC budget would have privatized FAA programs beginning in FY 2010.

## **Funding Summaries:**

*In Thousands*

	FY 2007 Enacted	FY 2008 Request	FY 2007 Cmte	Cmte vs FY 2007	House vs Request	House vs FY 2007	House vs Request
<b>Transportation Department</b>							
Office of the Secretary.....	170,737	96,314	150,197	-20,540	53,883	-12.0%	55.9%
Salaries and Expenses.....	84,553	96,197	90,678	6,125	-5,519	7.2%	-5.7%
Minority Business Resource Center Program.....	893	891	893	0	2	0.0%	0.2%
Minority Business Outreach.....	2,970	2,970	2,970	0	0	0.0%	0.0%
Office of Civil Rights.....	8,528	9,141	9,141	613	0	7.2%	0.0%
Federal Aviation Administration.....	8,374,217	0	8,716,606	342,389	8,716,606	4.1%	-----
Facilities & Equipment.....	2,516,920	0	2,515,000	-1,920	2,515,000	0.0%	-----
Research, Engineering, and Development.....	130,234	140,000	140,000	9,766	0	7.5%	0.0%
Grants-in-Aid for Airports.....	3,489,500	2,750,000	3,414,500	-75,000	664,500	-2.1%	24.2%
Federal Highway Administration, Total.....	36,255,245	37,914,630	37,565,000	1,309,755	-349,630	3.6%	-0.9%
Federal Motor Carrier Safety Admin., Total.....	517,000	528,000	475,869	-41,131	-52,131	-8.0%	-10.1%
National Highway Traffic Safety Admin., Total.....	587,750	599,250	599,250	11,500	0	2.0%	0.0%
Federal Railroad Administration, Total.....	1,478,345	1,071,722	1,666,722	188,377	595,000	12.7%	55.5%
Federal Transit Administration, Total.....	85,000	89,300	92,500	7,500	3,200	8.8%	3.6%
Saint Lawrence Seaway Development Corporation....	16,223	17,392	17,392	1,169	0	7.2%	0.0%
Maritime Administration.....	214,437	295,366	291,528	77,091	-3,838	36.0%	-1.3%
Pipeline and Hazardous Materials Safety Admin.....	134,024	148,219	154,410	20,386	6,191	15.2%	4.2%
Surface Transportation Board.....	25,063	21,835	25,245	182	3,410	0.7%	15.6%
Research and Innovative Technology Admin.....	7,736	12,000	12,000	4,264	0	55.1%	0.0%
<b>Housing and Urban Development Department</b>							
Tenant-based Rental Assistance.....	15,920,000	16,000,000	16,330,000	410,000	330,000	2.6%	2.1%
Native American Housing Block Grants.....	623,700	626,965	626,965	3,265	0	0.5%	0.0%
Indian Housing Loan Guarantee Fund .....	6,000	7,450	7,450	1,450	0	24.2%	0.0%
Native Hawaiian Housing Block Grant.....	8,727	5,940	8,727	0	2,787	0.0%	46.9%
Housing Opportunities for Persons with Aids.....	286,110	300,100	300,100	13,990	0	4.9%	0.0%
Rural Housing and Economic Development.....	16,830	0	16,830	0	16,830	0.0%	-----
Community Development Block Grants/Fund.....	3,771,900	3,036,570	4,180,000	408,100	1,143,430	10.8%	37.7%
Brownfields.....	9,900	0	9,900	0	9,900	0.0%	-----
Home Investment Partnerships Program.....	1,757,250	1,966,640	1,757,250	0	-209,390	0.0%	-10.6%

Homeless Assistance Grants.....	1,441,600	1,585,990	1,560,990	119,390	-25,000	8.3%	-1.6%
Self-Help Homeownership Program.....	49,390	69,700	59,700	10,310	-10,000	20.9%	-14.3%
Housing for the Elderly.....	734,580	575,000	734,580	0	159,580	0.0%	27.8%
Housing for Persons with Disabilities.....	236,610	125,000	236,610	0	111,610	0.0%	89.3%
Housing Counseling Assistance.....	0	50,000	0	0	-50,000	0.0%	-100.0%
Rental Housing Assistance.....	26,136	27,600	27,600	1,464	0	5.6%	0.0%
Research and Technology.....	50,087	65,040	58,087	8,000	-6,953	16.0%	-10.7%
Fair Housing Activities.....	45,540	45,000	45,540	0	540	0.0%	1.2%
<b>Independent Agencies</b>							
Architectural and Transportation Barriers.....	5,915	6,150	6,150	235	0	4.0%	0.0%
Federal Maritime Commission.....	20,428	22,322	22,072	1,644	-250	8.0%	-1.1%
National Transportation Safety Board.....	79,338	83,000	85,000	5,662	2,000	7.1%	2.4%
Neighborhood Reinvestment Corporation.....	116,820	119,800	119,800	2,980	0	2.6%	0.0%
United States Interagency Council on Homelessness.....	1,788	2,320	2,000	212	-320	11.9%	-13.8%