



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 6b

Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607-4700  
TEL 510.817.5700  
TDD/TTY 510.817.5769  
FAX 510.817.5848  
E-MAIL [info@mtc.ca.gov](mailto:info@mtc.ca.gov)  
WEB [www.mtc.ca.gov](http://www.mtc.ca.gov)

*Memorandum*

TO: Legislation Committee

DATE: March 6, 2009

FR: Executive Director

RE: FY 2009 Federal Appropriations & President's Proposed FY 2010 Budget

**FY 2009 Appropriations**

A week after Congress passed the American Recovery and Reinvestment Act (ARRA); the House introduced an omnibus appropriations bill (H.R. 1105) to finish up the appropriations process for FY 2009. The U.S. Department of Transportation (U.S. DOT), along with all federal agencies except the Departments of Defense, Homeland Security, and Veterans Affairs, is currently operating under a continuous resolution (CR) that provides funding at FY 2008 levels through midnight, March 6, 2009. If the President cannot sign H.R. 1105 by midnight, March 6, Congress must pass another short-term CR, or the discretionary parts of the federal government will shut down. At the time this memo was finalized, the Senate had not yet taken up the bill.

The bill provides a total of \$10.2 billion for the Federal Transit Administration (FTA), including \$8.3 billion for transit formula and bus grants, and \$1.8 billion for capital investment grants (new and small starts). This represents an increase of 8 percent over the FY 2008 funding level, but it is \$107 million below the amount authorized in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA). This lower funding level is principally a result of funding the transit formula and bus grants program at \$100 million less than the authorized amount.

The bill also provides \$40.7 billion for the Federal Highway Administration (FHWA), about \$500 million (or two percent) above the authorized level in SAFETEA.

The bill contains a significant number of earmarks for U.S. DOT — 1,276 total. The largest number is from the FHWA's Transportation, Community, and System Preservation (TCSP) program (343), followed by the Bus and Bus Facilities Program (302). A complete list of Bay Area earmarks, totaling almost \$39 million, is attached (see Attachment 1).

**President's FY 2010 Proposed Budget**

President Obama introduced his FY 2010 budget last week. The summary for the Department of Transportation touched on many MTC priorities, stating that the Administration "intends to work with Congress to reform the surface transportation programs both to put the system on a sustainable financing path and to make investments in a more sustainable future, enhancing transit options and making our economy more productive and our communities more livable." The budget also builds on the Obama Administration's strong support for high-speed rail — as evidenced by the \$8 billion high-speed/intercity rail program included in the ARRA — by proposing an additional \$1 billion per year high-speed rail grant program for the next five years.

Lastly, the budget includes a proposal to change the budgetary treatment of transportation programs to show both budget authority and outlays as discretionary; in effect, ending the funding guarantees that have been the mainstay of transportation finance for several decades. In a press release, Congressman Oberstar announced his opposition to this idea, stating that, “This scoring rule change has been proposed by the Office of Management and Budget (OMB) several times in the past, and each time has been rejected by Congress. To raise this issue again now, when we have important work to do to rebuild our nation’s crumbling infrastructure and create family-wage jobs, is both a contradiction and an unnecessary distraction.”

MTC will follow the FY 2010 budget development closely to ensure that it lays a strong foundation for reform in the next federal surface transportation act.



---

Steve Heminger