



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4b

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
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: December 2, 2011

FR: Executive Director

W. I. 1131

RE: FY 2011-12 Federal Appropriations

On November 18, 2011, Congress passed H.R. 2112, providing funding for the U.S. Department of Transportation and several other agencies for the remainder of FY 2012. While the bill provides funding for the full year, the current surface transportation act (SAFETEA) extension expires on March 31, 2012, and with it, the authority for the programs funded in the appropriations bill. As a result, Congress will need to revisit transportation funding before April 1 to avoid a shutdown of the federal transportation program. If Congress adopts a *new* surface transportation act prior to March 31, it will presumably revisit the appropriations levels for the remainder of FY 2011-12 to match up funding with a new program structure. Accordingly, there is a good chance that the transportation funding levels adopted in H.R. 2112 will be adjusted before FY 2012 is over.

Highway Funding Cut, Transit Funding Receives Slight Increase

The appropriations bill holds surface transportation funding relatively steady in FY 2012. The bill provides \$39.9 billion for the federal highway program, a five percent reduction from FY 2011, but equivalent to the annual spending level set by the latest surface transportation extension act, as shown in Attachment A. The bill offsets this cut slightly with \$1.7 billion for the Federal Highway Administration's Emergency Relief (ER) program. About \$10.4 billion is provided for the Federal Transit Administration, a three percent increase over the current year. Finally, another \$500 million for National Infrastructure Investment grants, similar to the multimodal competitive grant program (commonly known as the TIGER program). Unfortunately, no funding is provided for high-speed rail, similar to FY 2011.

Significant Increase in Capital Investment Grants

The bill provides \$1.9 billion in Capital Investment Grant (commonly referred to as "New Starts") funding, a 22 percent increase over FY 2011. Of this amount, \$1.4 billion is appropriated to 13 rail projects (all outside our region) that have already been approved for a full funding grant agreement (FFGA), while \$510 million is reserved for preliminary engineering, final design, and construction of projects that receive an FFGA in 2012 (which will hopefully include the region's two New Starts candidates — BART to Silicon Valley and SFMTA's Central Subway project). The bill also includes language restricting the federal share of a New Starts project to 60 percent, up from 50 percent in the current year.

Lastly, the bill specifies that bus rapid transit (BRT) projects funded in the President's FY 2012 budget request for Capital Investment Grants will be funded from the Bus & Bus Facilities discretionary grant program, rather than Capital Investment Grants, reducing the share of these funds available for new competitive grants. With regard to transit operations, the bill allows up

to \$100 million in formula funds nationwide to be used for fuel or electricity costs under the Transit Formula and Bus grants program.

Restrictions on Use of Federal Funds for Toll Roads in Texas

In a demonstration that Congress can play a significant role in specific transportation projects, H.R. 2112 includes some new restrictions on the use of federal funds for toll roads in Texas. Specifically, Section 123 of the bill states that none of the funds provided may be used to authorize any toll on a Texas highway; 1) that is not already tolled; 2) that is constructed with federal funds; or 3) that is in operation as of the bill's enactment. The restriction does not apply to *new* toll lanes, as long as the number of non-tolled lanes on that highway remains the same as was the case prior to toll lanes becoming operational.

Study of Flexing Federal Highway Funds to Transit

The bill also highlights the fact that some members of Congress are unsupportive of the provision in current law that allows federal transit and highway funds to be “flexed” from one mode to the other. H.R. 2112 requires the Comptroller General to conduct a study on the highway and transit projects that were funded by funds that were “flexed” between the highway and transit programs. The study must show the impact that such “flexing” has had on the advancement of highway projects. Considering the extent that MTC takes advantage of in “flexing” CMAQ and Surface Transportation Program funding to transit, this study will certainly include many Bay Area projects.



Steve Heminger

SH:RL

J:\COMMITTEE\Legislation\Meeting Packets\Legis2011\12_Legis_Dec2011\4b_FY2012FederalApprops.doc

**FY 2012 Federal Surface Transportation Appropriations
(As Enacted in H.R.(As Enacted in H.R. 2112)**

Dollars in \$1,000's

	FY 2010-11	FY 2011-12 Est.	Difference	Percentage
Office of the Secretary (DOT)				
National Infrastructure Investments - (TIGER Program)	\$ 528,000	\$ 500,000	\$ (28,000)	-5.30%
Federal Highway Administration (FHWA)				
Federal Aid Highways Obligation Limitation	\$ 41,024,786	\$ 39,143,583	\$ (1,881,203)	-4.59%
Emergency Relief (not subject to obligation limitation)		\$ 1,662,000	\$ 1,662,000	
Federal Railroad Administration (FRA)				
High-Speed and Intercity Passenger Rail	\$ -	\$ -	\$ -	
Amtrak Operating Grants	\$ 561,874	\$ 466,000	\$ (95,874)	-17.06%
Amtrak Capital and Debt Service Grants	\$ 923,625	\$ 952,000	\$ 28,375	3.07%
Rail line Relocation & Improvement Program	\$ 10,532	<i>Not specified in bill</i>		
Railroad Research and Development	\$ 35,100	\$ 35,000	\$ (100)	-0.28%
Federal Transit Administration (FTA)				
Formula & Bus Grants	\$ 8,343,171	\$ 8,360,565	\$ 17,394	0.21%
Urbanized Area Formula	\$ 4,542,570	\$ 4,552,040	\$ 9,470	0.21%
Non Urbanized Area Formula Program	\$ 537,205	\$ 538,325	\$ 1,120	0.21%
Fixed Guide way Modernization	\$ 1,663,033	\$ 1,666,500	\$ 3,467	0.21%
Alternative Analysis Program	\$ 24,948	\$ 25,000	\$ 52	0.21%
Alternative Transportation in Parks and Park Land	\$ 26,844	\$ 26,900	\$ 56	0.21%
Bus and Bus Facility	\$ 981,953	\$ 984,000	\$ 2,047	0.21%
Clean Fuels	\$ 51,393	\$ 51,500	\$ 107	0.21%
Elderly and Disabled	\$ 133,222	\$ 133,500	\$ 278	0.21%
Job Access and Reverse Commute (JARC)	\$ 164,158	\$ 164,500	\$ 342	0.21%
New Freedom	\$ 92,308	\$ 92,500	\$ 192	0.21%
Over the Road Bus	\$ 8,782	\$ 8,800	\$ 18	0.21%
Planning and Research	\$ 116,757	\$ 117,000	\$ 243	0.21%
Major Capital Investment Program (<i>New & Small Starts</i>)	\$ 1,600,000	\$ 1,955,000	\$ 355,000	22.19%
Energy Efficiency & Greenhouse Gas Reduction (TIGGER)	\$ 50,000	\$ -	\$ (50,000)	-100.00%
<i>Federal Transit Administration Total</i>	\$ 9,993,171	\$ 10,600,000	\$ 606,829	6.07%

Source: H.R. 2112 conference report

<http://www.gpo.gov/fdsys/pkg/CRPT-112hrpt284/pdf/CRPT-112hrpt284.pdf>

Federal Transit Administration FY 2011 Apportionment