



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4a

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Memorandum

TO: Legislation Committee

DATE: February 7, 2014

FR: Executive Director

W. I. 1131

RE: FY 2014 Federal Appropriations

Overview

The FY2014 omnibus spending bill, which provides funding for the balance of FY 2014 and compiles 12 appropriation bills into a single mega bill, was passed on January 15 by the U.S. House of Representatives by a wide and bipartisan vote of 359 to 67, followed by a vote of 72-26 in the Senate the next day. The bill honors the funding levels authorized by MAP 21, which provide a very modest increase above FY 2013 levels.

FY 2014 Formula Funding Levels Maintained

The bill provides \$40.3 billion for federal highway programs, consistent with MAP 21 authorized levels, providing the same level of Surface Transportation Program and Congestion Mitigation and Air Quality Program (STP/CMAQ) funding assumed in the region's latest programming exercise. With respect to public transit, the bill provides \$8.6 billion in formula funding, also matching MAP 21 authorized levels which formed the basis of the region's transit funding assumptions for the first OBAG funding cycle.

New Starts Funding Matches Administration's Request

The bill appropriates \$2.1 billion for capital investment grants, slightly higher than authorized due to a \$189 million reappropriation of funds leftover from prior years. The bill does not specify the individual amounts to be assigned to each New Starts and Small Starts project, but the final funding level exactly matches the Administration's overall request, suggesting that projects will receive the amount recommended by the Obama Administration in its FY 2014 Annual Report on Funding Recommendations for the Capital Investment Program. For the Bay Area, this includes:

- San Francisco Third Street Light Rail, Phase 2 – Central Subway: \$150 million
- Silicon Valley Berryessa Extension Project: \$150 million

The region has two Small Starts projects in the project development phase but they are not scheduled to receive funding this year. The projects are AC Transit's East Bay Bus Rapid Transit (BRT) project and S.F. MTA's Van Ness Avenue BRT. As Small Starts projects with a "medium-high" rating from the Federal Transit Administration they are each slated to receive the maximum of \$75 million over the next several years.

Bill Provides \$600 million for Competitive, Multimodal TIGER Program

Perhaps even more surprising than the wide margin of support for the bill in the House was the bill's inclusion of \$600 million for National Infrastructure Grants, about \$125 million above FY 2013 levels. (The U.S. DOT continues to refer to this program as the TIGER grant program, so named for the Transportation Investment Generating Economic Recovery program that originated as part of the 2009 economic stimulus act.) The original House-passed appropriations bill contained no TIGER funding, while the Senate version proposed \$550 million, marking an unusual occasion where the omnibus bill provided a higher funding level than originally approved in either chamber. The Obama Administration has not yet released a Notice of Funding Availability for the TIGER program, so the deadline and criteria are not yet known, but staff will be watching this closely and report back as soon as this information is made available so that the region can once again submit a regional priority list. Notably, the \$150 million cap for TIGER awards to a single state is retained and the appropriation includes a \$35 million set-aside for planning grants.

Federal Aviation Administration Funding Partially Restored

The bill restores the Federal Aviation Administration's funding to \$15.6 billion, about \$370 million higher than FY 2013 when funding was scaled back substantially due to the sequester, but still \$300 million below FY 2012 levels. While this is below the overall budget request, the Air Traffic Organization receives the same level as requested at \$7.3 billion, as does Aviation Safety \$1.2 billion. The Airport Improvement Account receives \$3.3 billion, the same level authorized by law.

Amtrak Operating Funding Stuck at Sequester Levels, No High-Speed Rail Funding

With respect to rail, the Obama Administration had proposed a dramatic increase in FY 2014 from \$1.7 billion to \$6.6 billion by shifting the program from the "discretionary" category to "mandatory," and therefore not subject to the overall appropriations cap. Since there was no budget offset included in this proposal, it was ignored by Congress; the final bill provides Amtrak a total of \$1.3 billion, with operations receiving a total of \$340 million and capital and debt service grants a total of \$1.0 billion. While \$340 million is substantially lower than the \$466 million provided to operations before the sequester, the bill lifts a prohibition on transferring funds between capital and operations, providing Amtrak with more flexibility to meet its operating needs. With respect to high-speed rail, no funding is provided, but the final bill did not include the so-called "Denham amendment," which would have banned any federal funding from being used for California's high-speed rail project, suggesting the project could qualify for TIGER funds.



Steve Heminger

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