



METROPOLITAN
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COMMISSION

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: August 20, 2007

FR: Theresa Romell, Programming and Allocations

RE: FY 2008 Federal Appropriations

The fiscal year 2008 Federal budget cycle is well under way. The President released his initial budget in February of this year. The Appropriations Committees for both the House and Senate completed their versions of the Transportation-Housing appropriations bill in June and July, respectively. In late July, the House voted to approve their bill with only a few minor amendments. The full Senate is not expected to consider their bill until after the August recess.

The major points of contention expected between the Administration and Congress in enacting the FY 2008 U.S. Department of Transportation budget include addressing the deficit that is projected for the Highway Trust Fund and the reigning in of federal transportation fund earmarking.

FY 2008 US Department of Transportation Budget

The budget that the President submitted to Congress in February, while holding to FY 2008 SAFETEA-LU authorized levels in most programs, does seek to trim spending in certain areas, namely, the New Starts and Small Starts categories of the Federal Transit Program. The Administration justifies these cutbacks by pointing to the looming deficit in the Highway Trust Fund. While everyone in Washington understands that the Highway Trust Fund will run into a deficit situation by FY 2009 - the end of the SAFETEA-LU period, projections on how large that deficit will be continue to change. When the Administration's budget request was released, the projected deficit for the final year of the current act was estimated at \$800 million. Revised forecasts now have that deficit at \$4.3 billion, the difference being attributed to lower than expected consumption of gasoline and diesel fuels.

The Administration's budget proposal seeks to fund the Federal Aid Highway Program at \$39.6 billion, the same amount that is authorized in FY 2008 of SAFETEA-LU, which constitutes a 1.3% increase over the FY 2007 enacted budget. Proposed funding for Formula and Bus Grant programs are also consistent with SAFETEA-LU, and contain large increases over the FY 2007 enacted budget for the Non-Urbanized Area and Clean Fuel programs. Proposed funding for the capital investment program is reduced by \$300 million from the SAFETEA-LU authorized level with funding for New Starts proposed at \$1.3 billion (a 17% reduction from the previous year's budget) and \$100 million for Small Starts.

The Appropriations Committees for both the House and Senate produced budget bills that contained \$40.2 billion for the Federal Aid Highway Program. The difference between the House and Senate budgets and the Administration's request is the \$631 million in Revenue Aligned Budget Authority (RABA) funding (extra money added to the highway program on an annual basis because of shifting

fuel tax receipt estimates). The House bill diverts \$219 of the \$631 million in RABA from formula programs to the TCSP discretionary program and then earmarks half the total. The Senate bill sets aside \$136 million of the RABA funding for the Bush Administration's new congestion relief initiative. The remainder of the RABA is set aside for earmarking. The House and Senate bills are kinder to the Federal Transit Program, with the House proposing funding for transit capital investment at \$1.7 billion, the full amount authorized by SAFETEA-LU, and the Senate bill proposing \$1.57 billion, the same amount that was budgeted in FY 2007.

A full comparison of the Administration's request and the House and Senate Appropriation Committees budget proposals is contained in Attachment A.

Earmarks

Unlike the FY 2007 budget that was enacted by continuing resolution and contained no earmarks, the House and Senate bills do contain earmarks; however, the level of earmarking is significantly less than in years past. The House bill contains \$253 million in earmarked highway funding and \$90 million in bus earmarks. The Senate bill earmarks \$407 million in highway funding and \$183 million in bus. Interestingly, while the Senate bill earmarked more money than the House bill, there are significantly fewer projects earmarked in the Senate version.

For the Bay Area, the House bill contains thirteen highway project earmarks for a total of \$8.85 million dollars and thirteen transit projects totaling \$20.95 million, including an \$18 million capital investment grants. By contrast, the Senate bill only steers \$1 million in highway project earmarks and \$14 million in Federal Transit Administration grants to the Bay Area.

A listing of the Bay Area earmarks contained in the House and Senate budget bills can be found in Attachment B.

Rescissions

Both the House and Senate bill contain about \$3 billion in rescissions of apportioned contract authority balances; however, while the Senate bill allows the states the freedom to rescind the funding from any individual highway program except for safety programs and STP sub-allocations to communities, the House bill states that the funding must be rescinded proportionally from each individual highway program within a state's apportionment. The language in the House bill is designed to deter states from disproportionately taking funds from the CMAQ program, which is often the easiest target for rescissions since the funds are often not as quickly obligated.

Attachment A

FY 2008 U.S. Department of Transportation Budget

<i>Figures in millions \$</i>	FY 2007 Enacted	FY 2008 Authorized Level	FY 2008 Administration Proposal	Change from Authorized Level	House Enacted	(House) Change from Authorized Level	Senate Committee	(Senate) Change from Authorized Level
Federal-aid Highway Program								
<i>Obligation Limitation</i>	39,086.0	39,585.0	39,585.0	0.0	40,216.0	631.0	40,216.0	631.0
Federal Transit Program	8,974.8	9,731.0	9,422.3	(308.7)	9,731.0	0.0	9,597.0	(134.0)
Formula & Bus Grants	7,263.0	7,873.0	7,872.0	(1.0)	7,873.0	0.0	7,873.0	0.0
Urbanized Area + Growing & High Density State	3,947.1	4,280.3	4,280.0	(0.3)	4,280.3	0.0	4,280.0	(0.3)
Nonurbanized Area	467.0	506.5	506.5	0.0	506.5	0.0	506.5	0.0
Fixed Guideway Modernization	1,448.0	1,570.0	1,570.0	0.0	1,570.0	0.0	1,570.0	0.0
Bus & Bus Facilities	855.5	927.8	927.8	0.0	927.8	0.0	927.8	0.0
Elderly and Disabled	117.0	127.0	127.0	0.0	127.0	0.0	127.0	0.0
New Freedom	81.0	87.5	87.5	0.0	87.5	0.0	87.5	0.0
Clean Fuels	45.0	49.0	49.0	0.0	49.0	0.0	49.0	0.0
Job Access and Reverse Commute	144.0	156.0	156.0	0.0	156.0	0.0	156.0	0.0
Over-the-Road Bus	7.6	8.3	8.3	0.0	8.3	0.0	8.3	0.0
Alternative Transportation in the Parks	23.0	25.0	25.0	0.0	25.0	0.0	25.0	0.0
Transit Alternatives Analysis	25.0	25.0	25.0	0.0	25.0	0.0	25.0	0.0
National Transit Database	3.5	3.5	3.5	0.0	3.5	0.0	3.5	0.0
Metropolitan & Statewide Planning	99.0	107.0	107.0	0.0	107.0	0.0	107.0	0.0
Metropolitan Planning	81.9	88.5	88.5	0.0	88.5	0.0	88.5	0.0
State Planning	17.1	18.5	18.5	0.0	18.5	0.0	18.5	0.0
Capital Investment Program	1,566.0	1,700.0	1,400.0	(300.0)	1,700.0	0.0	1,566.0	(134.0)
New Starts	1,566.0	1,500.0	1,300.0	(200.0)			1,525.0	25.0
Small Starts		200.0	100.0	(100.0)			41.0	(159.0)
Research and University Research Centers	61.0	65.5	61.0	(4.5)	65.5	0.0	65.5	0.0
FTA Administration	85.0	92.5	89.3	(3.2)	92.5	0.0	88.8	(3.7)

Note: House and Senate Obligation Limits include \$631 million for Revenue Aligned Budget Authority (RABA)

Attachment B

FY 2008 San Francisco Bay Area Federal Earmarks

Federal Highway Administration (FHWA) Projects		
	FY 2008 (House Enacted)	FY 2008 (Senate Committee)
Ferry Boats and Ferry Terminals		
Ferry Boat Service, Berkeley/Albany	\$ 750,000	
San Francisco Water Transit Authority	\$ -	\$ 1,000,000
Transbay Terminal	\$ -	
Vallejo Baylink Ferry Intermodal Station	\$ 1,000,000	
Federal Lands Program		
Golden Gate National Recreation Area Access and Trails	\$ 3,000,000	
Pacific Way Bridge, Marin County	\$ 500,000	
South Access to Golden Gate Bridge, Doyle Drive	\$ 1,500,000	
Transportation Community and System Preservation Program (TCSP)		
Blossom Hill Monterey Highway Grade Crossing, San Jose	\$ 100,000	
Brentwood Boulevard, SR 4 Improvements	\$ 500,000	
Central Expressway Auxiliary Lanes	\$ 250,000	
Golden Gate Bridge Movable Barrier	\$ 250,000	
Repair of San Tomas Expressway Box Culvert, Santa Clara	\$ 250,000	
SFgo Market Street Improvements, San Francisco	\$ 250,000	
Sidewalk Construction in Ashland/Cherryland	\$ 250,000	
VTA High Occupancy Toll Lane Demo Project	\$ 250,000	
<i>Subtotal TCSP</i>	\$ 2,100,000	\$ -
Total FHWA Earmarks	\$ 8,850,000	\$ 1,000,000
Federal Transit Administration (FTA) Projects		
Bus and Bus Facilities		
Ed Roberts Campus, Berkeley	\$ 250,000	
Fairfield/Vacaville Intermodal Station, CA	\$ 200,000	
Muni Bus Rehab, SF	\$ 1,000,000	
Palo Alto Intermodal Transit Center	\$ 250,000	
Samtrans Revenue Collection System	\$ 250,000	
Tri Delta Transit Park and Ride Lots	\$ 250,000	
Union City Intermodal Station	\$ 250,000	
VTA Zero Emission Bus Demo Program	\$ 400,000	
BART Intermodal Station Improvements for Bus Safety & Access	\$ -	\$ 1,000,000
<i>Subtotal Bus</i>	\$ 2,850,000	\$ 1,000,000
Alternative Analysis		
Bus Rapid Transit Alternative Analysis, VTA	\$ 100,000	
Capital Investment Grants		
New Starts		
San Francisco Muni Third Street Light Rail Project	\$ 12,000,000	\$ 10,000,000
Small Starts		
AC Transit BRT Corridor	\$ 500,000	\$ 3,000,000
SMART Environmental Impact Report and Preliminary Engineering	\$ 2,000,000	
BRT Project - Livermore	\$ 3,500,000	\$ -
Total FTA Earmarks	\$ 20,950,000	\$ 14,000,000
GRAND TOTAL	\$ 29,800,000	\$ 15,000,000

Note:

House bill directs FTA not to reallocate Bus & Bus Facility funds from 2005 or prior appropriation acts to Eastern Contra Costa Park and Ride Lots