



## House Appropriators Reveal Plans for FY 2020 Transit Spending

*By Chris Zeilinger*

What would be better than seeing the federal transit program funded at the fully authorized levels of the FAST Act? How does FAST Act + \$750 million sound? If you like the sounds of that, read on.

At the same time that hundreds of CTAA members and friends were gathering in Palm Springs for the CTAA Expo, the House Transportation-HUD Appropriations Subcommittee was releasing its draft FY 2020 spending bill for DOT, HUD and related agencies. Legislative language is not yet available to the public, but you can read this committee's May 23 press release at <https://appropriations.house.gov/news/press-releases/appropriations-committee-releases-fiscal-year-2020-transportation-housing-and>.

This is the first substantive step in the annual cycle of federal appropriations for the next fiscal year, and it is a very important, encouraging step.

The key basic points are that all funding levels authorized under the FAST Act are honored in this draft legislation. In addition, money is added to several important Federal Transit Administration (FTA) grant programs, including what would be a significant boost in Section 5339 competitive bus and bus facilities grants above FAST Act levels, and a small but intriguing program of grants for FTA formula grantees in counties that meet federal definitions of persistent poverty.

It's far too soon to take any of these numbers to the bank. Remember that the full House Appropriations Committee needs to take up and possibly revise this bill, and then the House bill is supposed to go to the House floor for a vote. In addition, the Senate Appropriations Committee has yet to take any actions or reveal any intentions regarding Transportation-HUD spending for next year. If recent years are any indication, the Congressional clock will run out, and Congress will cobble together some form of consolidated or continuing appropriations for next year, which might or might not include the provisions of this House committee draft.

FY 2020 appropriations are extra-important, because their funding levels set the stage for the very critical surface transportation reauthorization that comes due in FY 2021. Without an authorization (even if it's just a short-term continuation of the FAST Act), all federal highway and transit spending comes to a grinding halt, which is why these reauthorizations are so important. And when Congressional committees start working up the details of their transportation bills, they tend to look to the latest appropriations for spending baselines, which is why this House draft is important.

### What's Proposed for Transit in this Bill?

Remember that dedicated spending from the federal Highway Trust Fund supports some FTA programs, while other aspects of FTA spending come from the federal government's general revenues. Trust fund expenditures tend to be honored exactly as authorized, whereas Congress has considerable latitude about how – or whether – to follow general fund authorizations. With those thoughts in mind, here's what the House Transportation-HUD appropriations subcommittee is proposing for FTA programs in FY 2020:

**FTA formula grants (trust fund)** would have an obligation limitation of \$10.2 billion in FY 2020, as authorized by the FAST Act. This is about \$211 million more than was authorized and appropriated in FY 2019. The FY 2020 draft bill includes a provision allowing FTA to shift some funds from its project management and oversight takedowns from formula grants and move these funds into FTA's administrative expenses, but that flexibility would not affect the amount of formula funds distributed to states and urbanized areas under Section 5307, 5310, 5311, etc.

As per the FAST Act, FY 2020 FTA formula grants would see overall growth of 2.1 percent above FY 2019 authorized levels.

**Transit infrastructure grants (general fund)**, which are a supplement to FAST Act authorizations, would be \$750.0 million in FY 2020, up from a somewhat similar \$700.0 million supplement in FY 2019. Because this category of funding does not have to follow authorizing language, it instead reflects Congressional priorities. Here's how these supplemental funds would be distributed in 2020 under the draft House bill:

- \$389.0 million would be added to the funds available to for Section 5339(b) bus and bus facilities competitive grants (in comparison, \$160.0 million was added to these Section 5339(b) grants in FY 2019)
- \$94.0 million would be added to the funds available for Section 5339(c) low- and no-emission bus grants (this is a big jump from the \$30.0 million that was added to Section 5339(c) in FY 2019)
- \$250.0 million would be added to Section 5337 fixed guideway state of good repair grants (while this is less than the \$263.0 million that was added to Section 5337 in FY 2019,

overall Section 5337 funding grows anyway, thanks to scheduled increases in FAST Act authorizations)

- \$1.0 million would be added to funding for the bus testing facility at Section 5318 (just as was done in FY 2019)
- \$6.0 million would be added to university-based "low/no" bus testing at Section 5312(h) (just as was done in FY 2019)
- \$10.0 million would be appropriated for a new program of competitive grants to assist areas that meet federal definitions of persistent poverty counties. Eligible applicants would be states and transit agencies eligible to receive funding under Section 5307, 5310 or 5311. These grants would be for 90 percent of the costs for planning, engineering, or the developing of technical or financing plans by grantees in these persistent poverty areas, but these grants would not be able to be used for acquiring capital assets or helping cover the costs of transit operations.

Here are the things that were funded through this year's FY 2019 general funds supplement that are **NOT** slated for any such supplement in the draft FY 2020 language:

- Section 5339(a) formula-based bus and bus facilities grants (they got a bump of \$160.0m in FY 2019)
- Section 5311 rural transit formula grants (they got a bump of \$40.0m in FY 2019)
- Section 5340(d) high density states' formula grants supplement (these got a bump of \$40.0m in FY 2019)

**Technical assistance and training (general fund)** gets the same \$5.0 million authorized general funds supplement as this category received in FY 2019. However, there's a new carve-out of a single \$2.5 million cooperative development for assisting transit recipients with frontline workforce development and standards-based training in maintenance and operations. This is in contrast to the FY 2019 carve-out of \$1.5 million for a single cooperative agreement to assist small-urban, rural and tribal recipients and planning organizations with applied innovation and capacity building.

**Capital investment grants (general fund)** would receive their authorized amount of \$2.3 billion. In contrast, the funding for these grants in FY 2019 was \$2.6 billion, which exceeded the authorized amount of \$2.3 billion under the FAST Act. The allocation of these CIG funds would be slightly different than was the case in FY 2019:

- Section 5309(d) grants to projects with full funding grant agreements would be slated for \$795.3 million in FY 2020, and new projects' FY 2020 Section 5309(d) grants would be slated for \$702.7 million (together, these add up to \$1.5 billion; in contrast, the FY 2019 appropriations simply allocated \$1.3 billion to Section 5309(d), without specifying an amount for FFGAs)

- Section 5309(e) core capacity improvements grants would be slated for \$300.0 million (this is down from \$635.0 million appropriated for core capacity grants in FY 2019)
- Section 5309(h) fixed guideway "small starts" projects would be slated for \$430.8 million (this is down from the \$526.5 million appropriated to small starts in FY 2019)
- Funding under Section 3005(b) of the FAST Act, which support a limited number of fixed guideway projects under a pilot program of "expedited project delivery," would be set at \$50.0 million in FY 2020 (in contrast, this pilot project was funded at \$100.0 million in FY 2019).
- There would appear to be \$23.0 million in unallocated capital investment grant funding, but the draft bill includes provisions for the allocation or reallocation of unobligated capital investment grants, awarding any otherwise unused funds to applicants with projects in the Section 5309 engineering phase.

**Washington Metropolitan Area Transit Authority** would receive a general fund supplement of \$150.0 million in FY 2020, just as it did in FY 2019 and prior years.

**FTA administrative expenses (general fund)** would be \$117.0 million in FY 2020. This is about \$2m more than the authorized amount, and is about \$4m more than was appropriated in FY 2019.

**Administrative provisions** generally are proposed to be the same as were the case in FY 2019, although the language concerning non-federal matching fund requirements for Section 5309 capital investment grant awards would be refined and tweaked in FY 2020, and a new provision is proposed that would allow for Section 5339(c) "low/no" grantees to submit applications in partnership with transit vehicle manufacturers.