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## LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



**February 13, 2018**

### **Administration Budget Proposal for Fiscal Year 2019 Released**

On Monday, the Administration released its Fiscal Year (FY) 2019 budget proposal. In the document, [which can be found in full here](#), the Administration proposes a 19% decrease of funding (compared to FY 2017) for the U.S. Department of Transportation. This amounts to a cut of \$3.7 billion from FY 2017 enacted levels (the final FY 2018 appropriations bills have not yet been completed), of \$15.6 billion of discretionary dollars, and \$600 million less than the previous budget proposal.

The budget, similar to the last, does not address the issue of long-term solvency of the Highway Trust Fund (HTF), but does fully fund HTF programs. It does, however, propose, like last year, to phase out the Capital Investment Grants program. This program, which was authorized at a level of \$2.3 billion by Congress in the Fixing America's Surface Transportation (FAST) Act, would be funded at \$1.046 billion for projects with existing agreements under the proposed budget.

Under the Administration proposal, Amtrak would receive \$738 million, as compared to \$1.495 billion enacted in 2017. The plan also would allocate \$120 million to Washington Metropolitan Area Transit Authority (WMATA), which has received \$150 million annually in federal funding under its 10-year authorization. In addition, the plan would eliminate the Transportation Investment Generating Economic Recovery (TIGER) program. APTA has stated publicly that it supports full funding of public transportation programs authorized under the FAST Act, that it opposes reductions in FAST Act programs, and that federal investment in the nation's transit infrastructure should be increased to help address the \$90 billion backlog in capital investment needed to bring public transportation facilities into a state of good repair. To view the APTA press release addressing the two documents, [please click here](#).

### **Revisiting Congress' Budget Deal**

As noted in a [previous Legislative Alert](#), last week Congress reached a deal to raise the existing caps on federal spending. The government-wide spending cap on non-defense discretionary spending will increase by \$63 billion for FY 2018 and \$68 billion in FY 2019. It is reported that \$10 billion each year of these increases should be focused on a broad range of infrastructure, though the specific details on how those funds will be allocated will be determined in the appropriations process. Finally, this deal will allow the Federal Transit Administration (FTA) to apportion five months of formula funds at the FY 2017 level for transit agencies.

### **Administration Releases Infrastructure Plan Outline**

Also on Monday, the Trump Administration released its infrastructure initiative. The plan seeks to leverage \$200 billion in federal funding into \$1.5 trillion in new infrastructure projects across broad categories including surface transportation, passenger rail, airports, water facilities, and many others. It does not, however, set an amount of money dedicated to specific modes, but requires all eligible projects to compete within the new programs.

Importantly, the plan does not identify new revenues such as raising the gas tax. Instead, the Administration is seeking to find \$200 billion in savings from other areas of the federal budget.

The details of the plan include:

- \$100 billion for a new "incentive grants" program that favors project sponsors that dedicate new, non-federal revenue streams to infrastructure
- \$50 billion for grants to rural areas
- \$20 billion for a new "transformative projects" program led by the Commerce Department
- \$14 billion for existing federal credit programs including TIFIA and RRIF
- \$6 billion to support expanded and increased private activity bonds (PABs)
- \$10 billion for federal real estate purchases
- Elimination of regulatory barriers and permitting streamlining
- Reform of workforce development programs

The plan also has “Additional Provisions for Infrastructure Improvements” which includes changes to the Capital Investment Grants program. Under the proposed initiative, current law would be amended to include value capture financing as a prerequisite for Section 5309 Capital Investment Grants (CIG), excluding small starts. The proposal also calls for reducing constraints on the use of public-private and public-public partnerships in the development and execution of transit capital projects. Finally, the proposed initiative calls for codifying the current pilot program for section 5309 CIG projects which offers participants a more streamlined approach to the full funding grant agreement process and broader authority to proceed with construction. While the current pilot program caps the federal share of project costs at 25%, the proposed infrastructure initiative would increase the federal share to 50% of project costs. You can view the plan in its entirety [here](#).

#### **Capital Investment Grants Program Annual Report Released**

Additionally, FTA released its Annual Report on Funding Recommendations for the Capital Investment Grants Program in FY 2019. To view the document in its entirety, [please click here](#).

**American Public Transportation Association**  
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