

## FEDERAL UPDATE

JUNE 27, 2018

## HOW DID THE “BIPARTISAN BUDGET DEAL” PLAY OUT IN FY ‘18 ?

### FY 18 Omnibus - examples

Authorized amounts for -	...PLUS General Fund dollars due to the Budget Deal:
<b>Highway</b>	\$2.525 billion – includes: <ul style="list-style-type: none"> <li>• \$1.98B STBG - <i>an extra \$24.7 million for Iowa</i></li> <li>• \$225M - competitive bridge for rural states (<i>no NOFO yet</i>)</li> </ul>
<b>Aviation</b>	\$1 billion - discretionary grants for small, rural airports ( <i>No NOFO yet</i> )
<b>Transit</b>	\$834 million <ul style="list-style-type: none"> <li>• \$400M State of Good Repair – formula fixed guideway and BRT</li> <li>• \$209M Bus and Bus Fac. Formula</li> <li>• \$161.4M Bus and Bus Facilities competitive (<i>NOFO 6/20</i>)</li> </ul>

## HOW DID THE “BIPARTISAN BUDGET DEAL” PLAY OUT IN FY ‘18 ?

### FY 18 omnibus – examples, cont.

Appropriated Program-	...PLUS General Fund dollars due to the Budget Deal:
<b>BUILD</b> (\$500M in FY 17 for TIGER)	\$1 billion, for an FY 18 total of \$1.5 billion (NOFO 4/20)

## PROPOSALS FOR FY ‘19

T-HUD	House	Senate
Highway	Auth. amt. PLUS \$4.25 billion, incl: <ul style="list-style-type: none"> <li>• \$3.765B - STBG roads, bridges</li> <li>• \$250M - HSIP</li> <li>• \$225M - <i>competitive</i> bridge</li> </ul>	Auth. amt. PLUS \$3.3 billion, incl: <ul style="list-style-type: none"> <li>• \$2.39B - STBG roads, bridges</li> <li>• \$90M - grade crossings</li> <li>• \$800M - <i>formula</i> bridge (<i>based on state share in poor condition</i>)</li> </ul>

## PROPOSALS FOR FY '19, CONT.

T-HUD	House	Senate
Transit	Auth. amt. PLUS \$800M, incl: <ul style="list-style-type: none"> <li>• \$150M – UZA formula (5307)</li> <li>• \$50M – rural formula (5311)</li> <li>• \$300M – Bus competitive (5339)</li> </ul>	Authorized amt. PLUS \$800M, incl: <ul style="list-style-type: none"> <li>• \$209M – Bus formula (5339)</li> <li>• \$161.5M – Bus competitive (5339) <i>(primary criteria: age and mileage)</i></li> </ul>
Airport	Auth. amt. PLUS \$500 million <i>(competitive grants to “high priority” airports)</i>	Auth. amt. PLUS \$750 million <i>(“discretionary” grants distributed by FAA – no use of formulas, etc.)</i>

## PROPOSALS FOR FY '19, CONT.

T-HUD	House	Senate
BUILD	<u>\$750 million, including:</u> <ul style="list-style-type: none"> <li>• \$250M for rural <i>(Especially bundled bridge projects, including off-system)</i></li> <li>• \$250M for urbanized <i>(Especially multi-modal and National Freight Network)</i></li> <li>• No planning set-aside</li> <li>• No use of federal share as a criterion</li> </ul>	<u>\$1 billion, including:</u> <ul style="list-style-type: none"> <li>• “Not less than 30%” for rural</li> <li>• \$15M for planning</li> </ul> <p><i>“The Secretary shall consider and award projects based solely on the selection criteria from the fiscal year 2016 NOFO. The Secretary shall not use federal share or an applicant’s ability to generate non-federal revenue as a selection criteria”</i></p>

## PROPOSALS FOR FY '19, CONT.

- Authorized funding for highway, transit and airports
- Misc. policy provisions:
  - Regional councils and COGS should be eligible to compete for federal funds (incl. as lead applicants) whenever local govts or non-profits are eligible (H)
  - Continues suspension of the ELD rule for livestock haulers (H)
  - Prohibit FAA from requiring a CBA for airport relocation projects improving safety (S)
  - In addition to enplanement, FAA must consider flight training and other activities when distributing discretionary grants (S)

## STATUS OF GRANT PROGRAMS – BUILD (FORMERLY TIGER)

### **FY 18** (\$1.5 billion appropriated)

- NOFO out 4/20, deadline: 7/10
- The administration will look for new, non-federal resources provided
- Emphasis on P3s dropped
- “Innovation” became a primary criterion
- Iowa DOT application: Iowa Traffic Incident Management Training Center

**FY 19** – No specifics until FY 19 appropriations finalized

## STATUS OF GRANT PROGRAMS – BUS AND BUS FACILITIES COMP.

### FY 17

- Awards announced 4/5
- Included Iowa DOT rural and urban bus replacement - \$3.6 million
  - Will replace 18 transit vehicles at 11 public transit systems
- In general, grants were smaller and more rural

### FY 18

- NOFO out 6/21 (\$366 million)

## STATUS OF GRANT PROGRAMS – INFRA (FORMERLY FASTLANE)

**FY 18** (*consists of FY 17 large project funding, plus all of FY 18 – total \$1.5 billion*)

- List of 26 projects to Congress June 5 – likely okayed
- Includes Iowa DOT project: I-380/I-80 interchange reconstruction-\$50M
- Fairly high percentage of rural grants

**FY 19** (*\$950 million authorized*)

- No specifics until the NOFO comes out

## HR 3 – RESCISSION BILL - DEFEATED

- A reaction to passage of the \$1.3 trillion omnibus
- Would have rescinded ~\$14.5 billion in unobligated funds, including:
  - old highway earmarks (Boone and West Des Moines)
  - unobligated High Speed Intercity Passenger Rail Program grant funds (Quad Cities to Iowa City segment – no impact to current passenger rail activities)
- DEFEATED 6/22

## A MORE SIGNIFICANT RESCISSION IS STILL LOOMING:

- Sec. 1438 of the FAST Act:
  - Rescinds \$7.569 billion in unobligated contract authority on July 1, 2020
  - **Potential impact to state and local transportation funding in Iowa: about \$80 million**
  - Congress could strike it via a provision in other legislation

## HIGHWAY TRUST FUND – 5/11 CBO ESTIMATES:

Passenger vehicles -

- Fuel efficiency gains will override increased VMT so federal gas tax receipts will drop by 1.5 percent per year over the next decade

Diesel powered trucks -

- Increased freight traffic will override efficiency gains through 2021, BUT
- After 2021, trucking related receipts will drop

***Bottom line: the HTF will support no new obligations after FY 2020  
without new revenue or a General Fund bailout.  
State and local funding will ultimately be impacted.***

## QUESTIONS?