

Transportation Weekly

Update – House Budget Committee Plan For FY 2010

Wednesday, March 25, 2009 – 1:15 p.m.

House Budget Committee chairman John Spratt (D-SC) has released his “chairman’s mark” for the fiscal year 2010 budget resolution, which the Budget Committee is now marking up.

For FY 2010, the Spratt mark allows for \$73.942 billion in budget authority for functional category 400 (transportation) and \$88.151 billion in outlays. Over five years, the Spratt plan calls for \$375.061 billion in BA and \$449.944 billion in outlays for transportation. (Outlays are significantly higher than BA, which is unusual, largely due to the 2009 appropriations for economic stimulus (which are not repeated on the BA side in 2010 and afterwards but whose outlays show up for years)).

The Spratt mark and the baseline for mandatory budget authority (which includes the contract authority that funds highway, transit and airport programs) is confusing. Large rescissions of contract authority in 2009 make the baseline in 2010 and afterwards for highway contract authority look abnormally low. Compared to the Congressional Budget Office baseline, mandatory BA for transportation in 2010 is \$12.8 billion above baseline, and \$67.4 billion above baseline over five years. But if one substitutes the “true” new spending levels (obligation limitations) in the baseline for the baseline mandatory BA levels, the increase above baseline is only \$277 million in 2010 and \$1.25 billion over five years.

Remember that the FAA bill pending in the House needs \$180 million over the baseline and \$1.6 billion over five years for the extra contract authority for the Airport Improvement Program, and the mandatory budget authority for transportation in the Spratt mark looks pretty much like a flat-line for the program, as the White House proposed.

The Spratt budget does not include significant additional dollar amounts above baseline for the surface transportation reauthorization bill. However, the resolution establishes a “deficit-neutral reserve fund” which basically says to the Ways and Means and Finance Committees, “If you find a way to add money to the Highway Trust Fund, we will increase the budget allocations for the transportation committees to allow them to spend the money.” The text of the reserve fund language in Spratt’s mark is:

“SEC. 313. RESERVE FUND FOR THE SURFACE TRANSPORTATION REAUTHORIZATION.

The chairman of the Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for any bill, joint resolution, amendment, or conference report that reauthorizes surface transportation programs or that authorizes other transportation-related spending by providing new contract authority by the amounts provided in such measure if such measure establishes or maintains a solvent Highway Trust Fund over the period of fiscal years 2009 through 2015. “Solvency” is defined as a positive cash balance. Such measure may include a transfer into the Highway Trust Fund from other Federal funds, as long as the transfer of Federal funds is fully offset.”

An attached table shows the year-by-year budget totals for the Spratt mark, the baseline, and the “true base” for mandatory budget authority. Remember on the discretionary side that the President requested over \$900 million per year above baseline for intercity passenger rail, which would eat up most of the discretionary BA increase over baseline in the Spratt mark.

The Senate Budget Committee chairman’s mark should be released soon.

The full text of the budget resolution (without numbers) is here:

http://budget.house.gov/doc-library/FY2010/03.25.2009_mark_leg_text.pdf

And the full set of numbers for all categories of spending and revenues is here:

http://budget.house.gov/doc-library/FY2010/03.25.2009_Mark_tables.pdf

House Chairman's Mark - FY 2010
Function 400 (Transportation)
Total Budget Authority and Outlays

Budget Authority	Actual						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	5-Year
Discretionary BA - CBO Baseline	79,061	30,312	30,717	31,140	31,544	32,105	155,818
Discretionary BA - Spratt Chairman's Mark	79,061	31,436	31,925	32,443	32,933	33,295	162,032
Spratt Increase Over Baseline	-	+ 1,124	+ 1,208	+ 1,303	+ 1,389	+ 1,190	+ 6,214
Mandatory BA - CBO Baseline (Net)	43,396	43,630	43,711	43,819	43,938	44,145	219,243
Mandatory BA - Spratt Chairman's Mark	43,396	56,715	57,146	57,604	57,933	58,514	287,912
Spratt Increase Over Baseline*	-	+ 13,085	+ 13,435	+ 13,785	+ 13,995	+ 14,369	+ 68,669
Total BA - CBO Baseline	122,457	73,942	74,428	74,959	75,482	76,250	375,061
Total BA - Spratt Chairman's Mark	122,457	88,151	89,071	90,047	90,866	91,809	449,944
Spratt Increase Over Baseline*	-	+ 14,209	+ 14,643	+ 15,088	+ 15,384	+ 15,559	+ 74,883
Outlays							
Discretionary Outlays - CBO Baseline	85,668	92,847	93,051	92,082	92,110	92,296	462,386
Discretionary Outlays - Spratt Chairman's Mark	85,668	93,462	94,195	93,437	93,614	94,103	468,811
Spratt Increase Over Baseline	-	+ 615	+ 1,144	+ 1,355	+ 1,504	+ 1,807	+ 6,425
Mandatory Outlays - CBO Baseline (Net)	2,113	2,231	2,279	2,414	2,536	2,690	12,150
Mandatory Outlays - Spratt Chairman's Mark	2,116	2,233	2,279	2,414	2,536	2,690	12,152
Spratt Increase Over Baseline	+ 3	+ 2	-	-	-	-	+ 2
Total Outlays - CBO Baseline	87,781	95,078	95,330	94,496	94,646	94,986	474,536
Total Outlays - Spratt Chairman's Mark	87,784	95,695	96,474	95,851	96,150	96,793	480,963
Spratt Increase Over Baseline	+ 3	+ 617	+ 1,144	+ 1,355	+ 1,504	+ 1,807	+ 6,427

***BUT WAIT:** Don't get excited about what seems to be a huge increase in mandatory budget authority for transportation. It is illusory. Large rescissions of highway contract authority in FY 2009 caused the baseline to look significantly lower than it really should be. The following table substitutes obligation limitations for contract authority in the baseline to add back the missing contract authority and show the "true base" for programs funded by the transportation trust funds, and the mandatory BA increase is much less:

Mandatory Budget Authority	Actual						
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	5-Year
Mandatory BA - CBO Baseline (Net)	43,396	43,630	43,711	43,819	43,938	44,145	219,243
Total Transportation TF CA in Baseline		41,444	41,444	41,444	41,444	41,444	207,220
Total Transportation TF Ob Limits in Baseline		54,252	54,584	54,916	55,196	55,694	274,642
"Missing CA" (Ob Lims More Than CA)		12,808	13,140	13,472	13,752	14,250	67,422
"True Base" (Baseline Plus Missing CA)	43,396	56,438	56,851	57,291	57,690	58,395	286,665
Mandatory BA - Spratt Chairman's Mark	43,396	56,715	57,146	57,604	57,933	58,514	287,912
Spratt Increase Over True Base	-	+ 277	+ 295	+ 313	+ 243	+ 119	+ 1,247