



COMMITTEE *on* APPROPRIATIONS

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SUMMARY

TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT AND RELATED AGENCIES

FISCAL YEAR 2015 APPROPRIATIONS BILL

Full Committee Mark: June 5, 2014

Washington, DC – The bill provides a total of \$54.4 billion in discretionary budget authority for fiscal year 2015. For the Department of Transportation (DOT), the bill provides federal highway and transit grants that help commuters get to work, students get to school, businesses sell and distribute their products, and families to connect with one another across the country. At the Department of Housing and Urban Development (HUD), the bill funds rental housing assistance programs and the Community Development Block Grant (CDBG) Program, which gives local governments resources to invest in communities, support businesses, create jobs, and ensure the availability of decent, affordable housing for all.

U.S. Senator Parry Murray (D-WA), Chairman of the Transportation, Housing and Urban Development, and Related Agencies Subcommittee, said:

“This bipartisan bill was written with input from Senators on both sides of the aisle, and I’m proud we came together on a responsible approach that makes critical investments in our communities during a time of budget constraints. This bill continues our investments in roads and bridges, railroads, public transit systems, and airports, and makes critical investments to protect the safety of crude oil shipments. This bill also makes crucial investments in community development and affordable housing programs and preserves an essential part of the country’s safety net by protecting housing assistance for low-income families and veterans.”

U.S. Senator Barbara A Mikulski (D-Md.), Chairwoman of the Appropriations Committee, issued the following statement:

“I want to commend Senators Murray and Collins for writing a bill that generates jobs, particularly in the area of infrastructure both nationwide and in my home state of Maryland. There is a substantial focus on public safety in the transportation portion of the bill. The HUD

part of the bill demonstrates a capacity to meet compelling human needs. This bill funds investments that develop and strengthen our communities through programs like CDBG. It also provides essential assistance to the poorest of the poor by supporting homeless shelters and lead paint abatement.

“This bill will help us build and maintain our transportation infrastructure, including highways, aviation, transit and rail. Transportation programs funded in this bill support economic development and job creation and make it possible for people to get safely to work and businesses to move their products to market. These programs are key to our ability to compete in the global market. This is a good bill that preserves our commitment to assist the most vulnerable while also providing necessary investments in our infrastructure and communities.”

Bill Summary

The Transportation, Housing and Urban Development, and Related Agencies Appropriations Bill provides funding for programs that build our nation’s transportation network and support our communities. The bill includes funding for a broad range of transportation infrastructure, including roads and bridges, railroads, and transit systems. The bill ensures that Amtrak continues to deliver passenger rail transportation throughout the country, a system on which both urban and rural communities depend. It also invests in the modernization of our air traffic control system and provides grants for airport improvements. The bill includes funding at HUD to maintain housing assistance for low-income tenants through the Section 8 rental assistance programs. It continues funding for the HUD-Veterans Affairs Supportive Housing program, which is critical to eliminate homelessness among veterans. The bill also continues to support housing and economic development activities across the country through the CDBG program.

Major New Initiative: Protecting the Safety of Crude Oil Shipments

The production of domestic energy resources has increased dramatically in recent years, providing us with more affordable oil and natural gas, and helping to make the country less dependent on foreign energy imports. However, the sharp increase in domestic energy production has also meant a rapid increase in oil shipments by rail instead of ocean tankers. This change in the shipment of crude oil poses new challenges for DOT as it works to ensure the safety of our railroads and the communities close to their tracks.

The bill makes important investments at the Department of Transportation to protect the safety of energy shipments:

- Inspectors – The bill provides funds to hire 20 new rail and hazardous materials inspectors, and it fully pays for the 45 new rail safety positions that were provided in fiscal year 2014. Inspectors ensure compliance with federal safety standards for the safe transportation of energy products and other hazardous materials.

- Track Inspections – The bill provides \$3 million to expand the use of automated track inspections to ensure proper track maintenance on crude oil routes – covering 14,000 miles of track nationwide.
- Short Line Safety Institute – Short Line Railroads operate on more than 50,000 miles of track, which is one-third of the national railroad network. Short line railroads use a wide variety of safety management systems and many companies lack the resources to conduct hazardous materials safety training. The bill supports the establishment of a Short Line Safety Institute to perform safety compliance assessments and safety training for short line railroads that transport crude oil.
- Classification Activities – Each classification of flammable liquids has different requirements for packaging, hazard communications, operational controls, and safety and security planning throughout the supply chain. Proper classification ensures that emergency responders understand the hazards of the products being shipped and the correct way to respond in the case of an accident. The bill provides funding for testing shale crude oil to determine the most appropriate criteria, sampling methods and testing procedures for energy products. These activities will also help identify any safety gaps in current regulations for the safe transportation of energy products.
- Tank Car Design – There is indisputable evidence that the existing DOT-111 tank car design is an inadequate standard for the transportation of hazardous flammable liquids like crude oil. The Pipeline and Hazardous Materials Safety Administration (PHMSA) began regulatory action to change the tank car design standards in September 2013. The bill directs PHMSA to finalize these regulations no later than October 1, 2014.
- Training – Emergency responders are the last line of defense for communities to contain the impact of an oil spill and prevent damage to people, property and the environment. The Committee recommendation includes funding for a web-based hazardous materials emergency response training curriculum to train public sector emergency response personnel based on or near rail lines that transport a significant amount of high-risk energy products or toxic inhalation hazards. Web-based curricula are an important tool for many tribes and public sector emergency response personnel, particularly in rural areas, to get the training they need.

Title I – Department of Transportation

The bill provides a total of \$18.1 billion in discretionary budget authority for DOT for fiscal year 2015. The bill includes another \$53.6 billion in limitations on obligations for DOT, for a total of \$71.7 billion in budgetary resources for fiscal year 2015. This total level of budgetary resources is \$536 million more than the fiscal year 2014 enacted level, which included \$17.7 billion in discretionary budget authority and \$53.5 billion in obligation limitations.

The bill is also \$17.8 billion less than the funding levels included in the President’s budget request, which included \$13.7 billion in discretionary budget authority and \$75.8 billion in

obligation limitations. The President's budget relied more heavily on obligation limitations because it assumed that many programs would receive mandatory funding through new legislation to authorize highway, highway safety, public transit, and rail programs instead of through the appropriations process.

Highlights

“TIGER” Grants: \$550 million for grants to state and local governments to support a wide variety of transportation options, including roads and bridges, railroads, transit systems, and port infrastructure. TIGER grants are distributed by competition, and the demand for these grants is enormous in comparison to the available funding. For fiscal year 2014 funding, for example, DOT received applications from almost every State in the country for projects that totaled \$9.5 billion. The recommendation is \$50 million below the fiscal year 2014 enacted level. The President's budget request had included \$1.25 billion for this program, but it also assumed that the funding would be provided through new legislation authorizing surface transportation programs instead of the appropriations process.

Federal-aid Highways Program: \$40.3 billion for the Federal-aid Highways program, which is equal to the level enacted for fiscal year 2014. This program provides grants to every State in the country to build and maintain roads and bridges. The recommendation is consistent with the Moving Ahead for Progress in the 21st Century Act (MAP-21), the most recent authorization law for federal surface transportation programs, and assumes that MAP-21 will be extended through fiscal year 2015. The President's budget request had included \$47.3 billion for the highway program, but it also assumed that the mandatory funding would be provided through new legislation authorizing surface transportation programs instead of the appropriations process.

Rail Investments: \$1.39 billion for Amtrak, which is consistent with the level of funding provided in fiscal year 2014. This funding will allow Amtrak to continue providing passenger rail service in 46 states. Amtrak's ridership hit an all-time high of 31.6 million people last fiscal year, and Amtrak has reached record ridership levels for 10 of the last 11 years. This level of funding will allow Amtrak to make investments in the state-of-good repair infrastructure projects and to operate a safe and reliable passenger rail network for the nation. The recommendation is \$1 billion less than the budget request, which assumed the mandatory funding would be provided through new legislation authorizing surface transportation programs instead of the appropriations process.

Transit Investments: \$11.1 billion for transit programs, \$309 million above the fiscal year 2014 enacted level and \$6.6 billion below the request. These resources will be used to improve subway, light rail and bus rapid transit services in 15 states. The President's budget assumed passage of a surface transportation bill that would fund most transit programs rather than the appropriations process. The bill includes \$8.6 billion for formula grants, \$36.5 million for research and technical assistance, and \$150 million to continue modernizing the Washington Metropolitan Area Transit Authority. In addition, it provides \$2.163 billion for the transit capital investment grants, an increase of \$221 million to help communities build new rail and bus rapid transit capacity in California, Maryland, North Carolina, Colorado, Florida, Texas and other

states. These investments help communities find solutions to road congestion, support economic development, manage population growth, and reduce air pollution.

Air Transportation: \$15.9 billion for the Federal Aviation Administration (FAA), which is \$126 million above the fiscal year 2014 enacted level and \$580 million above the President's budget request. This funding makes it possible for the FAA to supply air traffic control services 24 hours a day, seven days a week. The recommendation includes \$149 million to fully fund the FAA's contract towers in fiscal year 2015 and \$3.5 billion for airport grants. The recommendation also provides \$853.9 million for NextGen, the FAA's effort to modernize the country's air traffic control system.

Automobile Safety: \$834 million for the National Highway Traffic Safety Administration (NHTSA), which is \$15 million more than the fiscal year 2014 level and \$17 million less than the budget request. The increase in funding will allow NHTSA to make important investments in its safety defects analysis and investigation programs, and to improve the agency's ability to aggressively screen defect trends. This will help the agency identify safety defects earlier and recall vehicles and vehicle equipment that pose an unreasonable safety risk.

Title II -- Department of Housing and Urban Development

The bill provides a total of \$36 billion in discretionary budget authority for HUD for fiscal year 2015. The bill also includes offsetting receipts estimated by CBO at \$9.8 billion, which allows for program funding levels totaling \$45.8 billion. The level of discretionary budget authority is \$3.4 billion more than the \$32.7 billion requested by the President. However, the President's budget assumed \$4.2 billion more in offsetting receipts, as estimated by OMB, which allowed for a program level of \$46.7 billion. As a result, the level of discretionary funding in the bill is \$3.4 billion more than the President's request, but the overall program funding level included in the bill is \$853 million less than the President's request. The level of funding in the Committee recommendation is \$3.2 billion more than the fiscal year 2014 enacted level and supports \$369 million more in program funding.

Highlights

Community Development Block Grant (CDBG): \$3.02 billion for the CDBG program, which provides grants to states and local governments to support housing and economic development projects in urban and rural communities across the country. These funds can be used to address a variety of needs from revitalizing distressed areas by improving streetscapes and sidewalks and supporting small businesses to removing blight and assisting seniors and others with home repairs. CDBG helps communities develop projects that meet their unique needs and support efforts to create jobs. The recommendation is \$220 million more than the budget request and \$10 million less than the 2014 enacted level.

Section 8 Rental Assistance: \$19.6 billion for tenant base rental assistance, which supports safe and affordable housing for over 2 million of the nation's low-income families and individuals, including elderly and disabled residents. These funds subsidize rent and allow families to cover

their housing costs in urban and rural communities in all 50 states. The recommendation is \$385 million more than the fiscal year 2014 enacted level and \$483 million less than the President's request.

The program also includes \$75 million for HUD-VASH to provide housing for 10,000 additional veterans experiencing homelessness. This program has helped reduce homelessness among veterans by 24 percent since 2010, and will help reach the goal of eliminating homelessness among the nation's veterans.

Section 8 Project-based Rental Assistance (PBRA): \$9.7 billion for project-based rental assistance, which supports an estimated 17,400 contracts with private owners of multifamily housing. The recommendation is consistent with the budget request and \$200 million below the fiscal year 2014 enacted level. Through this program, HUD and private sector partners support the preservation of safe, stable and sanitary housing for more than 1.2 million low-income Americans, 60 percent of whom are elderly or disabled.

Homeless Assistance Grants: \$2.15 billion for the Homeless Assistance Grants program, which provides families and individuals experiencing homelessness access to permanent supportive housing, rapid rehousing, and emergency shelters. Local communities use these grants to move homeless individuals from the streets to a permanent home with supportive services. Funding also supports efforts to move families quickly out of shelters and into permanent housing and ensures that emergency shelters are available to those that find themselves without housing. These programs are critical to achieving the goals to prevent and end homelessness in the country. Based on the most recent count of homeless persons, homelessness has declined by 6.1 percent since 2010, with a decline of 15.7 percent among the chronically homeless and 24 percent among veterans. The recommendation is \$40 million above the fiscal year 2014 enacted level.

Choice Neighborhoods: \$90 million for Choice Neighborhoods grants, which helps tear down and rebuild distressed public or HUD assisted housing. The program builds on the successful HOPE VI program and helps transform housing, neighborhoods and the lives of those living in them. The recommendation is equal to the fiscal year 2014 enacted level and \$30 million below the budget request.

Public Housing: The bill provides public housing agencies (PHAs) with resources to manage their programs, including \$1.9 billion for the public housing capital fund and \$4.48 billion for the public housing operating fund. The recommendation for the capital fund is \$25 million more than the fiscal year 2014 enacted level and \$25 million less than the budget request. The recommendation for the operating fund is \$75 million more than the fiscal year 2014 enacted level and \$125 million less than the budget request. These funds are used for both the operation and basic maintenance of existing housing units, as well as larger capital projects that can include replacing roofs or upgrading outdated units.

The Committee recommendation includes provisions that will help PHAs more effectively address the needs of their properties and residents within the current fiscal constraints. These

provisions include expanding the cap on the Rental Assistance Demonstration program (RAD) to 185,000 units. RAD allows PHAs to access private sector funding to address their capital needs, while maintaining protections for residents and the long-term affordability of the housing. The bill also authorizes PHAs to create replacement reserves, which will allow them to better plan and save for capital projects that are necessary to maintain the condition of the housing. In addition, the Committee recommendation gives PHAs the authority to reinvest any operational savings they achieve into the property.

Native American Housing Programs: \$720 million for Native American Housing programs, of which \$70 million is for the Indian Community Development Block Grant program. These funds are allocated on a formula basis to tribes. This recommendation is consistent with the budget request and the fiscal year 2014 enacted level. These funds provide critical support to tribal governments and tribally designated housing entities to improve housing conditions and economic opportunities for Native Americans. The bill also directs HUD to coordinate with other federal agencies to streamline and coordinate environmental reviews for housing and related infrastructure development, as recommended by the Government Accountability Office.

HOME Investment Partnerships Program (HOME): \$950 million for the HOME program, which helps support the creation of affordable housing. This level of funding is \$50 million below the fiscal year 2014 enacted level and equal to the President's request.

Title III – Related Agencies

National Transportation Safety Board: \$104 million for the National Transportation Safety Board (NTSB). The recommendation is almost \$1 million more than the fiscal year 2014 enacted level and the President's budget request in order to ensure that the NTSB does not lose any of its staff due to budgetary constraints. The NTSB investigates every civil aviation accident in the United States and significant accidents in the other modes of transportation, such as railroads, highways, and pipelines. Since its inception in 1967, the NTSB has investigated more than 139,000 aviation accidents and thousands of surface transportation accidents, and the board has issued more than 13,900 recommendations to improve the safety in our transportation system.

NeighborWorks: \$186.6 million for the Neighborhood Reinvestment Corporation (NeighborWorks). The recommendation is \$4.6 million more than the budget request and \$17.5 million less than the fiscal year 2014 enacted level. The bill includes \$50 million for the National Foreclosure Mitigation Counseling program to provide support in communities that continue to suffer from high rates of foreclosures.

Reforms

The bill includes numerous reforms, including provisions to address wasteful spending, improve transparency, improve federal coordination, and reduce duplication and overlap among federal programs.

To prevent wasteful spending of taxpayer dollars, the Committee has included provisions that limit how the departments and agencies funded in the bill can spend their budgetary resources. Specifically, the Committee prohibits agencies from sending more than 50 employees to an international conference, spending funds for the painting of official portraits, awarding bonuses to contractors for projects that are behind schedule or over budget, awarding a contract to a person convicted of a felony or cheating on their federal taxes, and spending funds on premium travel if they did not properly report such travel in the previous fiscal year.

To improve transparency in the federal government, the Committee requires the departments and agencies funded in the bill to report on their vehicle fleets, attendance at conferences, and spending on advertising. In addition, the Committee requires the departments and agencies to make their reports available to all congressional committees and to the public.

The Committee recommends several initiatives to improve federal coordination, and reduce duplication and overlap:

Improving Emergency Preparedness Grants: The Pipeline and Hazardous Materials Safety Administration (PHMSA) administers competitive grants to States and tribes for hazardous materials emergency preparedness response training. According to a recent investigation by the DOT Inspector General, this program has been hampered by statutory limitations on the period that grantees have to spend the money, and a lack of capacity for PHMSA to properly oversee the use of grants funds. The Committee includes a provision in the bill that would allow grants to be spent over a longer period of time, and increase the administrative takedown for grant management.

Demonstrating Performance-Based Energy Conservation: The Committee includes a provision in the bill that would authorize HUD to conduct an energy savings demonstration for Section 8 Project-based Rental Assistance properties. The provision would allow HUD to modify use agreements to leverage private financing for capital improvements that provide energy savings.

Streamlining of Environmental Reviews for Native American Housing: The Committee includes a provision in its report that directs HUD to coordinate with the Departments of Interior, Agriculture, Health and Human Services, and Energy on streamlining environmental reviews for housing and related infrastructure projects on tribal lands. The Committee offers this reform in response to a recent report by the Government Accountability Office that found tribes face multiple and duplicative requirements that add unnecessary costs to housing development.

Improving the CDBG Program: The Committee includes a provision in the bill that prohibits communities from selling a CDBG grant to another community. The bill also requires underwriting for any grant provided to a for-profit organization for economic development. The Committee provides HUD with the authority to enforce these requirements.

Holding Property Owners Accountable: The Committee includes a provision in the bill that requires HUD to take enforcement actions if a property owner fails to maintain the physical

condition of their HUD-assisted property. Enforcement actions include imposing monetary penalties or transferring the property to another owner.

Improving the Safety of HOME Properties: The Committee includes a provision in the bill that allows owners to evict tenants from properties in the HOME program if the tenants pose a safety threat.

Accelerating Disaster Recovery: The Committee includes a provision in its report that creates a demonstration project to improve the ability of communities to implement disaster recovery programs with CDBG disaster funds. The project will allow HUD to apply lessons learned from previous disaster recovery efforts to help accelerate disaster recovery. Under the demonstration project, HUD will develop a menu of programs that communities can use to meet their specific needs, and eliminate the need to design programs from scratch. The Committee also directs HUD to coordinate this demonstration project with the Federal Emergency Management Agency and the Small Business Administration to integrate data so there is no duplication of federal funding, and provide communities with best practices for coordinating federal disaster programs.

Fulfilling Violence Against Women Act Requirements: The Committee includes funding that supports efforts to improve the coordination between domestic violence service and housing systems to improve assistance to domestic violence survivors, and ensure that housing providers are effectively meeting Violence Against Women Act requirements.

Expanding the Use of Cost-Benefit Analysis: The Committee includes a provision in its report that encourages the Federal Highway Administration to encourage State departments of transportation to use cost-benefit analysis when selecting highway projects.

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