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BILL SUMMARY: Transportation, Housing and Urban Development, and Related Agencies Fiscal Year 2025 Appropriations Bill

Bill makes critical new investments to strengthen air and rail safety, help Americans keep a roof over their head, boost our housing supply, and improve our transportation infrastructure

Washington, D.C. – The Fiscal Year 2025 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act provides \$98.737 billion in total discretionary funding.

“This bill makes important investments to strengthen our nation’s transportation infrastructure and address the housing crisis affecting so many people across the country,” said Senator Brian Schatz (D-HI), Chair of the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development, and Related Agencies. **“The funding in this bill will help make homes more affordable, reduce homelessness, improve air traffic safety, and reduce flight delays. Importantly, this bill also makes record investments in Native housing, which will help Native people in Indian Country, Hawai‘i, and Alaska buy and keep their homes. I’m proud of the work this subcommittee has done on a bipartisan basis to produce a strong bill and urge my colleagues to pass it as soon as possible.”**

“This bipartisan bill makes critical new investments to help people keep a roof over their head and safely get to where they need to be—with new funding to hire more air traffic controllers and air and rail safety inspectors, boost our housing supply, sustain rental assistance, improve America’s roads and bridges, and much more,” said Senator Patty Murray (D-WA), Chair of the Senate Appropriations Committee. **“This bill strengthens our efforts at the federal level to address the housing crisis, invests in improving transportation infrastructure in communities across the country, and will help keep our country moving forward.”**

Key Points & Highlights – Transportation

Department of Transportation (DOT): The bill provides \$110 billion in total funding for the Department of Transportation, of which \$81.6 billion is from obligation limitations and \$28.5 billion is from discretionary funding. This amount includes significant new resources to ensure the Federal Aviation Administration (FAA) is able to maintain the safest, most efficient, and most complex air traffic control system in the world; to strengthen the safety of our rail network; and to make critical capital investments and improve the state of good repair of our transit systems.

RAISE Grants: The bill provides \$550 million for the RAISE Grant program. When combined with the \$1.5 billion in Infrastructure Investment and Jobs Act (IIJA) advanced appropriations, the RAISE Grant program will see \$2.05 billion in total funding in fiscal year 2025. As the only multimodal DOT program available to local governments, the program allows communities to make transformative investments in their transportation infrastructure that help improve mobility and safety.

FAA Staffing and Modernization: The bill provides \$22 billion for the FAA, an increase of \$1.931 billion over fiscal year 2024. This includes:

- \$13.603 billion for FAA operations, which will allow the FAA to continue its air traffic controller hiring surge by adding 2,000 new controllers, improving training facilities at the air traffic controller academy, and hiring 55 new aviation safety inspectors to strengthen oversight of Boeing and Spirit Aerosystems. In addition, the bill fully funds the FAA's critical telecommunications and IT systems to prevent flight delays or disruptions.
- \$3.6 billion for FAA facilities and equipment, which will help address the backlog of facility, radar, and equipment repair and replacement, as well as accelerate critical next-generation programs.
- \$4.52 billion for Airport Improvement Program (AIP) grants to improve airport infrastructure and safety, while also reducing emissions. Of this amount, \$70 million is for a new PFAS Replacement Program for Airports. This also includes \$4 billion in AIP from the Trust Fund, consistent with the FAA Reauthorization Act of 2024.

Highways and Bridges: The bill provides \$63.171 billion for federal-aid highways, which includes \$61.314 billion in funding from the Highway Trust Fund, and an additional \$1.118 billion for Highway Infrastructure Programs. The bill provides \$400 million for the competitive bridge bundling grant program, \$150 million for the Tribal Transportation Program, \$100 million for the Appalachian Development Highway System, \$25 million for the Active Transportation program, \$20 million for Scenic Byways, and other critical investments.

Amtrak and Rail Safety: A total of \$3.46 billion is provided for the Federal Railroad Administration (FRA). This includes \$2.63 billion for Amtrak to sustain operations, maintain a state of good repair, and safely get passengers to their destinations—an increase of \$210 million over fiscal year 2024. A total of \$100 million is allocated to the Fed-State Partnership Program, and \$475 million for the Consolidated Rail Infrastructure and Safety Improvements Grant program.

The bill increases funding for FRA’s Safety and Operations budget to \$292.8 million, which will meet the President’s budget request of increasing rail safety inspectors to a record 400 positions, and increases funding for Research and Development to \$54.75 million. To address the NTSB’s investigation of the East Palestine derailment and the subsequent safety recommendations released last month, the report directs FRA to: (1) continue research to inform industry-wide standards for wayside detection technology deployment and rail carrier response protocols; (2) update its 2007 vent and burn guidance and distribute to first responders; and (3) continue to utilize the Railroad Safety Advisory Committee working group to propose new regulations.

Pipeline and Hazardous Materials Safety Administration (PHMSA): The bill provides \$401 million for the PHMSA, which includes \$235 million for pipeline safety and \$87 million for hazardous materials safety, including to address NTSB recommendations related to the East Palestine incident.

Transit Infrastructure: The bill provides \$17 billion for the Federal Transit Administration—including \$2.262 billion for Capital Investment Grants, a \$57 million increase over fiscal year 2024. When combined with the \$1.6 billion in IIJA advanced appropriations, a total of \$3.862 billion is available for Capital Investment Grants in fiscal year 2025, which is sufficient to accommodate all projects with full funding grant agreements and those expected to enter into a grant agreement this year. In an effort to improve access to financing for transit-oriented development, the bill establishes an interagency task force between DOT and HUD to leverage the expertise of each agency and accelerate housing development opportunities.

Transportation Infrastructure for Tribes: The bill includes \$25 million to supplement the Rural and Tribal Infrastructure Advancement Pilot Program to deliver financial, legal, technical, and project development assistance in an effort to improve Tribal access to transportation infrastructure programs at DOT. It provides \$150 million in FHWA’s Tribal Transportation Program and \$500,000 for transit technical assistance for Tribes. The bill also includes a cost share waiver for the Rural and Tribal Formula Program as proposed in the budget request, and a cost share waiver for Tribes in the Low and No Emission Vehicle Grant Program.

Maritime Administration: The bill provides \$1.14 billion for the Maritime Administration, \$202 million above fiscal year 2024. This includes:

- \$191 million for the United States Merchant Marine Academy, of which \$64 million is for capital improvement projects to fully meet the President’s budget request to modernize the service academy’s facilities and train the next generation of mariners;
- \$178.4 million for State Maritime Academies, of which \$132.7 million is for the National Security Multi-Mission Vessel Program;
- \$20 million for the Small Shipyard Grant Program to modernization our domestic commercial ship construction capacity;
- \$200 million for the Port Infrastructure Development Program, which when combined with the \$450 in IIJA advanced appropriations makes a total of \$650 million available for fiscal year 2025; and
- \$448 million to fund the defense vessel programs, including:
 - \$318 million for the Maritime Security Program;
 - \$10 million for the Cable Security Fleet Program; and
 - \$120 million for the Tanker Security Fleet Program.

Key Points & Highlights – Housing and Urban Development

Department of Housing and Urban Development (HUD): The bill provides \$78.2 billion in programmatic funding for HUD, which is offset by \$8.4 billion in receipts and collections for a net funding level of \$69.8 billion. This funding will maintain all existing rental assistance and help build more affordable housing, reduce homelessness, connect people to both housing and health care, and rehabilitate distressed properties to preserve the existing affordable housing stock.

Reduces Homelessness and Improves Connections to Health Care: The bill provides \$4.32 billion for Homeless Assistance Grants, a \$268 million increase above fiscal year 2024. In addition to sustaining investments for existing projects, the bill provides:

- \$100 million for new permanent supportive housing;
- \$107 million for new investments to address youth homelessness;
- \$52 million for new support for survivors of domestic violence;
- \$47 million for an inflationary adjustment for supportive service projects so that providers can hire and retain qualified personnel; and
- \$30 million for one-time capacity-building grants and direct technical assistance to communities that are leveraging other funds, like Medicaid, to connect individuals experiencing homelessness to housing-related services and behavioral healthcare.

Increases the Supply of Affordable Housing: As communities across the nation continue to face a shortage of affordable homes, the bill makes critical investments to increase the supply of housing so that Americans can keep a roof over their head. The bill includes:

- \$1.425 billion for the HOME Investment Partnerships Program, a \$175 million increase above fiscal year 2024. The HOME Program is the primary federal tool for state and local governments to produce affordable rental and owner-occupied housing. This funding level will allow for construction of more than 8,400 new affordable homebuyer and rental units.
- \$100 million for the third year of the “Yes In My Back Yard” grant program. State and local zoning and land use laws and regulations that limit the number of units that can be built are a significant contributor to the lack of housing supply and production. These restrictions on development are driving up housing costs. While some communities have made progress in removing barriers to affordable housing production to keep up with market demand, the federal government must play a supporting role to strengthen these efforts and help jurisdictions increase their housing stock and lower housing costs.
- \$4.6 billion for local community development and affordable housing needs through the Community Development Block Grant formula program and Economic Development Initiatives.
- \$115 million for Section 202 Housing for the Elderly Capital Advance grants, which will lead to over 900 new units of affordable, supportive rental housing for low-income seniors.

Expands Access to Housing Assistance for Tribes: The bill provides a record \$1.455 billion for the Native American Housing Block Grant program, a \$111 million increase over fiscal year 2024. Through this historic level of funding and the sustained investment in the Tribal Housing and Related Agency Infrastructure Interagency Task Force, the bill will make significant progress in addressing the dire housing needs of Indian Country, where residents are nearly twice as likely to live in poverty and nearly three times more likely to live in overcrowded conditions compared to other U.S. households.

Preserves and Strengthens Investments in Rental Assistance Programs: The bill maintains critical support for HUD’s rental assistance programs, which help nearly 5 million vulnerable households—more than half of whom are elderly or have disabilities—keep a roof over their heads. It also provides new funding for rehabilitation efforts to help preserve the project-based affordable housing stock and improve living conditions for tenants. This includes:

- \$35.3 billion for tenant-based Section 8 vouchers, a \$2.9 billion increase above fiscal year 2024, which includes funding to make 3,000 new incremental vouchers available to youth aging out of foster care and veterans at risk of or experiencing homelessness.
- \$16.7 billion for the project-based rental assistance (PBRA) program to renew housing contracts, a \$644 million increase above fiscal year 2024.
- \$8.8 billion to operate and address the capital needs of public housing.

- \$10 million for HUD to make rent adjustments to 20-30 PBRA properties that have been renewed through the mark-to-market program and are distressed or at risk of becoming distressed.
- \$25 million for a new loan program to assist in the rehabilitation of 15-20 PBRA properties that are already at market rate rents but need additional capital.

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