



H.R. 3074 – 2008 Transportation, Housing and Urban Development Appropriations

Executive Summary

The House of Representatives is expected to consider H.R. 3074, the Departments of Transportation and Housing and Urban Development (HUD) Appropriations bill for FY2008, on July 23-24, 2007, under an open rule. H.R. 3074 provides \$50.7 billion in discretionary spending for the Departments of Transportation and HUD, which is \$2.8 billion above the President's request and \$3.2 billion over FY2007.

In addition to funding for aviation and rail programs, the bill provides \$40.2 billion in total highway funding, the same level guaranteed in SAFETEA-LU, which is \$1.25 billion (or 3.2 percent) more than FY2007 and \$631 over the President's request. H.R. 3074 also provides housing assistance for programs like tenant-based vouchers (\$14.7 billion), project-based housing (\$6.48 billion), and Community Development Block Grants (\$4 billion).

However, as the Minority Views section of the Committee Report points out, "both constituencies, housing and transportation, proclaim the need for Federal funding, yet neither is willing to consider how the relative spending for housing and transportation fit into the overall spend and tax plan, and neither is willing to face reform and reorganization in order to deliver the best programs efficiently and effectively."

The Minority Views also raise concerns regarding the bill's use of rescissions of prior year funding to bring the bill within its 302(b) allocation – including a \$3 billion rescission of prior year highway funding and a \$1.3 billion rescission of prior year HUD funding. Additionally, H.R. 3074 prohibits excess funding for Section 8 vouchers and for project based renewals from being recaptured. It also continues the voucher funding formula changes that were made through the CR to allocate funding based on the leasing and cost data for each PHA from the previous 12 months, but directs no new "snapshot."

The Democrats' overall 302(b) allocation levels for FY2008 represent an \$83 billion increase over the 2007 enacted budget levels. While Democrats defend this substantial increase by claiming domestic programs have been starved in recent years, the reality is that domestic discretionary spending has increased 40 % – or 12 % in real dollars – since 2001. The Administration has threatened to veto any appropriations bill with more funding than requested.

The Appropriations Committee approved the draft of the bill by voice vote on July 18, 2007.

Please note that a running list of amendments offered during floor debate will be available on our [website](#).

Floor Situation

H.R. 3074 is being considered on the floor pursuant to an open rule. The rule:

- Provides one hour of general debate equally divided and controlled by the Chairman and Ranking Member of the Committee on Appropriations.
- Waives all points of order against its consideration of the bill except for clauses 9 (earmarks) and 10 (PAYGO) of Rule XXI.
- During amendment consideration, the Chairman may give priority in recognition to Members who pre-printed his or her amendment(s).
- Waives points of order against provisions that fail to comply with clause 2 of rule XXI.

Note: This provision waives the House Rule that prohibits authorizing language in an appropriations bill.

- Provides one motion to recommit with or without instructions.
- Provides that, notwithstanding the operation of the previous question, the Chair may postpone further consideration of the bill to a time designated by the Speaker.

The bill was introduced by Representative John Olver (D-MA) on July 18, 2007. The House Committee on Appropriations reported H.R. 3074 on July 18, 2007. The bill is expected to be considered on the floor on July 23, 2007.

Funding Summary

Table: Transportation-HUD Appropriations

(funding in millions)

	FY08 House Proposal	FY08 Administration Request	FY07 Enacted
Total Discretionary	\$50,700	\$47,900	\$47,500
Aviation Security	\$2,400	\$2,400	\$2,340
FAA	\$14,600	\$14,055	\$14,460
Highway Funding	\$40,216	\$39,585	\$38,965
Amtrak	\$1,400	\$800	\$1,294
Section 8 Project Based Assistance	\$6,479	\$5,813	\$5,976
Tenant-based Housing Assistance	\$16,330	\$16,000	\$15,927
CDBG	\$4,180	\$3,037	\$3,772
HOPE VI	\$120	-\$99	\$99
HOME Program	\$1,757	\$1,967	\$1,757

Key Provisions

Title I: Dept of Transportation

- **Aviation Safety:** The bill provides more than \$1 billion for aviation safety, which is \$20 million more than the President requested and \$72.6 million over FY2007. The \$20 million increase is intended to annualize the 57 flight standard and aircraft certification officers hired in 2007 and to hire additional critical safety staff.
- **Air Traffic Controllers:** The bill does not include additional funds to provide for back pay or a return to the old controller contract.
- **Next Generation Air Transportation System (NextGen):** The bill directs the FAA to continue collaborating with collective bargaining units from all sides when planning and developing air traffic modernization projects, in particular the Next Generation Air Transportation System (NextGen).
- **Essential Air Service:** The bill provides a total of \$110 million for the Essential Air Service program, which subsidizes commercial passenger air carries to deliver service to small and underserved communities. In addition to the appropriated funds, because the bill meets the program's authorized funding level, another \$15 million is made available to the program from the spectrum sale.
- **Federal Highway Aid:** The bill provides \$40.2 billion in total highway funding, the same level guaranteed in SAFETEA-LU, which is \$1.25 billion (or 3.2 percent) more than FY2007 and \$631 over the President's request.

The bill also includes a \$3 billion rescission of unobligated prior year highway funds.

Note: The Highway Trust Fund is expected to be more than \$4 billion short by FY2009. The Committee on Transportation and Infrastructure has jurisdiction over the income and spending of the Trust Fund.

- **Revenue-Aligned Budget Authority (RABA):** The bill includes funding for RABA (\$631 million), which was not included in the President's budget request.
- **U.S.-Mexico Cross-border Trucking:** Requires the Secretary of Transportation to submit a report on the health and safety impact of Mexico-domiciled motor carriers. The terms and conditions mandated in prior year appropriations bills for the cross-border pilot program are still in place and govern the program in FY 2008.
- **AMTRAK:** The bill provides \$1.4 billion in total funding for AMTRAK, an increase of \$106 million over FY2007 and \$600 million over the President's request. This includes \$475 million for Operating Grants for Amtrak (\$475 million more than requested) and \$925 million for Capital and Debt Service Grants (\$425 million more than requested). It gives no money for Efficiency Incentive Grants (\$300 million below the President's

request) and \$50 million for Intercity Passenger Rail Grants (\$50 million less than requested).

Note: The Committee Report includes language chastising Amtrak for not providing its work force with a bargaining agreement.

- **U.S. Merchant Marine Academy (USMMA):** The bill includes \$61.4 million for the USMMA, which is an increase of \$289,000 over the President's request.

Title II: Department of Housing and Urban Development

Note: The bill includes a \$1.3 billion rescission in HUD appropriations from FY2007. According to the Minority Views section of the Committee Report, "The bill includes this rescission in spite of the fact that HUD can not meet the requirement without severely cutting sensitive programs, including and specifically, the construction of facilities for elderly and disabled low income individuals."

- **Tenant-Based Rental Assistance:** The bill provides \$16.3 billion for tenant-based rental assistance, an increase of \$403 million over FY2007 and \$330 million more than requested.

The vast majority of this funding (\$14.7 billion) is for tenant-based vouchers. The bill continues the voucher funding formula changes that were made through the CR to allocate funding based on the leasing and cost data for each Public Housing Authority (PHA) from the previous 12 months, but directs no new "snapshot." It also instructs HUD to provide reimbursement vouchers for every public and assisted housing unit lost, rather than only for those units that were occupied.

The bill also prohibits recapturing unused tenant-based voucher funding, which could otherwise be used towards the \$1.3 billion HUD rescission for FY2007.

- **Project-Based Rental Assistance:** The bill includes nearly \$6.48 billion for project-based rental assistance, which is \$503 million more than FY2007 and \$666.8 million more than requested. The bill prohibits HUD from using this funding to meet the rescission.
- **Family Self-Sufficiency Coordinators (FSS):** The legislation includes \$48 million for FSS coordinators, which is the same as the President's request and \$500,000 more than FY2007. FSS coordinators help tenants find and increase work so they can transition off of federal housing assistance.
- **Revitalization of Severely Distressed Public Housing (HOPE VI):** The bill provides \$120 million for HOPE VI grants, which is \$21 million more than FY2007. The President's budget proposed zero funding for FY2008 and rescinding all of the FY2007 funding (\$99 million).

Hope VI funding for public housing authorities (PHAs) provides for the renovation or demolition of deteriorating public housing.

Note: The Committee Report includes language encouraging HUD to require new HOPE VI projects meet Green Community or the LEED for Homes building standards.

- **Rural Housing and Economic Development:** The bill provides \$16.8 million for rural housing and economic development, which is equal to FY2007 and \$16.8 million more than requested. The President proposed shifting this activity to the Community Development Block Grant or the HOME programs.
- **Community Development Block Grants (CDBG):** The bill includes \$4 billion for CDBG, which is \$228 million more than FY2007 and \$963 million more than the President requested. CDBG is the largest source of federal assistance for state and local governments for housing and community development.
- **American Dream Downpayment Initiative (ADDI):** The bill does not include any funding for ADDI. The President requested \$50 million for FY2008. The program was created to promote homeownership and to revitalize and stabilize communities. It assists low-income first-time homebuyers by providing downpayment, closing costs, and rehabilitation assistance.
- **HOME Investment Partnerships Program:** The bill provides \$1.757 billion for the HOME program, which is equal to FY2007 and \$209 million less than requested. This funding allows State and local governments flexibility in acquiring, rehabilitating, or constructing new affordable housing for low-income households.
- **Green Building Standards:** The bill incorporates green building standards into HUD programs in an effort to increase energy efficiency.

Additional Views

“The Administration strongly opposes H.R. 3074 because, in combination with the other FY 2008 appropriations bills, it includes an irresponsible and excessive level of spending and includes other objectionable provisions...If H.R. 3074 were presented to the President, he would veto the bill.” (Statement of Administration Policy, 7/23/2007)

Staff Contact

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