

## Memorandum

TO: Joint MTC Legislation Committee and  
ABAG Legislation Committee

DATE: March 1, 2019

FR: Deputy Executive Director, Policy

RE: Overview of FY 2019 Federal Appropriations

On February 15, 2019, the President signed H.J.R. 31, the Consolidated Appropriations Act of 2019, funding federal agencies through the end of the fiscal year on September 30 and narrowly averting another government shutdown. Reflecting the deal reached during the negotiations for a two-year budget agreement last year, the bill provides increases to many programs, including highway and transit funding, which are funded above the levels authorized in the current surface transportation authorization bill, Fixing America's Surface Transportation (FAST) Act. This memo provides an overview of transportation funding in the bill and its implications for the Bay Area.

### Highway Funding

Congress approved a slight increase in funding for STP/CMAQ–Surface Transportation Block Grant Program/Congestion Mitigation & Air Quality. MTC uses STP/CMAQ funds for our One Bay Area Grant 2 (OBAG 2) Program. In addition, H.J.R. 31 includes an augmentation in Highway Infrastructure Program funds, which we refer to as “STP Bump” which more than offsets a reduction of \$8 million/year in the Bay Area’s share of CMAQ funding, an unfortunate side effect of the otherwise good news that the region’s carbon monoxide levels now meet federal air quality standards, resulting in less of this air quality improvement funding coming to the Bay Area. As shown below, the region will receive about \$5 million more in FY 2019 than FY 2018. In addition, the bill expands STP Bump funding eligibility to include elimination of hazards and installation of protective devices at railway-highway crossings.

	FY 2018	FY 2019
STP/CMAQ	\$170 million	\$168 million
STP Bump	\$18 million	\$25 million
<b>Total</b>	<b>\$188 million</b>	<b>\$193 million</b>

### Transit Funding

The bill provides an additional \$700 million to the Federal Transit Administration’s formula and certain discretionary programs above FAST Act authorized levels, resulting in approximately \$26 million to the Bay Area. Among the three major transit formula programs, the Bay Area can expect about \$21 million more in the State of Good Repair Program (Section 5337) and about \$5 million more from the Bus and Bus Facilities (Section 5339) program. Unfortunately, California urbanized areas will not receive increases to their Urbanized Area Formula funding (Section 5307) because Congressional appropriators directed additional spending within the 5307 formula program to the High Density States Program (Section 5340), which benefits only a handful of states in the Northeast. Furthermore, it is worth noting that the FTA program increase for the three major programs were smaller in FY 2019 than in FY 2018, by \$176 million nationwide, and by about \$12 million for the Bay area.

### **BUILD Discretionary Grant Funding**

Congress included \$900 million in discretionary grant funding for the Better Utilizing Investments to Leverage Development (BUILD) program, formerly known as TIGER. This represents a \$600 million reduction relative to FY 2018. The bill retains a 10 percent cap for a single state. Grant sizes are set at \$5-25 million (with the minimum grant size for rural projects set at \$1 million). The bill sets a 20 percent match requirement and notably, includes a 50/50 urban/rural split. In the most recent round of funding, the Administration awarded 62 percent of funds to rural areas. The project evaluation criteria is specified to be identical to those in the 2017 Notice of Funding Availability.

### **Bridge Funding Increase Excludes California**

The bill also provides \$475 million in additional funding in the Highway Infrastructure Program dedicated to bridge rehabilitation/replacement funding. These funds are *in addition* to funding provided for STP-like projects in urbanized areas (STP Bump). The funds are distributed to states with at least 7.5 percent of their total bridge deck area in poor condition. Unfortunately, this program appears to have been designed to exclude CA from the distribution (and also expressly excludes Puerto Rico, which could have otherwise received \$21 million). California has the most deck area in poor condition of any state in the nation, but as a percentage of our total deck area, it amounts to only 5.5 percent. Thus, CA receives none of the funding. The big winners are Rhode Island, Massachusetts, West Virginia, and Connecticut.

  
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