**Policy Details**

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| **Bush Releases FY 2009 Budget Proposal** |
| 02-05-2008 |
| Date: February 5,2008  To: Policy Committee      Cc: AMPO Membership           From: AMPO Staff   RE: Bush Releases FY 2009 Budget Proposal   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Yesterday President Bush sent to Congress his proposed budget for Fiscal Year 2009. The President’s budget calls for $3.1 trillion in spending, up 6 percent from projected spending of $2.9 trillion in the current budget year.  The Department of Transportation has requested $57.1 billion for FY 2009 which is about a 10% cut from current funding levels. The proposal calls for cutting highway funding by more the 4 percent and would allow money to be moved from the mass-transit account to help maintain the highway trust fund.  The administration estimates that it will need to borrow about $3.2 billion from the mass transit accounts in FY 2009. The highway trust fund has declining cash balances revenue from the gasoline taxes that finance the trust fund have not been keeping pace with inflation or growing transportation demands.  The proposed budget would fall short of the funding levels authorized in the 2005 transportation authorization legislation (SAFETEA- LU). Secretary Peters said that the department will still spend the authorized levels over the life of the law.  The administration is also asking Congress for $175 million for a program to combat highway congestion. But while last year's proposal was aimed at promoting flexible work schedules and faster dissemination of traffic information, this year's plan calls for road pricing, which would include converting "high occupancy vehicle" commuter lanes to toll lanes.  Below is a table that outline the proposed budget by agency.   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Agency** | **FY 2007** | **FY 2008 (enacted)** | **FY 2009 President’s Request** | **Difference between current funding level the Presidents request** | | Federal Highway Administration | $39,624 | $42,180 | $40,138 | 5% decrease(- $2042) | | Federal Transit Administration (FTA) | $9,987 | $9,492 | $10,135 | 7% increase ($643) | | Federal Railroad Administration | $1,479 | $1,561 | $1,091 | 30%decrease (-$470) |   \*Dollars in millions  AMPO will release a detailed analysis of the President’s budget request later this week.  In related news, this week the U.S. Senate is expected to consider the Economic Stimulus Act of 2008. Senators Ron Wyden (D-OR), John Thune (R-SD), Christopher Dodd (D-CT) and Richard Shelby (R-AL) will offer an amendment that provides $5 billion to be spent on "ready-to-go" transportation projects, including $1 billion for public transportation investment.  The Wyden-Thune-Dodd-Shelby amendment provides $1 billion in new federal transit funding under the following criteria:   * $700 million for "stimulus grants" via the Urbanized Area formula program, to be used for:   + the purchase of buses and rolling stock using existing contracts or   + Backlogged maintenance activities. * $300 million in "stimulus grants" to expedite the construction of projects with existing Full Funding Grant Agreements (FFGAs) under the New Starts program. * Local match requirements for "stimulus grants" are waived, and recipients will have pre-award spending authority. * All transportation funding under the amendment would need to be obligated within 120 days of enactment of the Economic Stimulus Act of 2008. * The amendment also includes provisions from the pending SAFETEA-LU corrections legislation that allows transit systems located in urbanized areas which transitioned from less than 200,000 in population to greater than in 200,000 population in the 2000 Census to use up to 50 percent of their eligible operating funding in Fiscal Year (FY) 2003 for similar expenses in FY 2008 and FY 2009 |