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Transportation, Housing and Urban Development, and Related Agencies (THUD): FY2018 Appropriations

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Summary

The House and Senate Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Subcommittees are charged with providing annual appropriations for the Department of Transportation (DOT), Department of Housing and Urban Development (HUD), and related agencies. THUD programs receive both discretionary and mandatory budget authority; HUD's budget generally accounts for the largest share of discretionary appropriations in the THUD bill, but when mandatory funding is taken into account, DOT's budget is larger than HUD's budget. Mandatory funding typically accounts for around half of the THUD appropriation.

The Trump Administration requested net new budget authority of $106.65 billion (after scorekeeping adjustments), including $47.9 billion in discretionary funding, for the departments and agencies funded in the THUD bill for FY2018, $9.65 billion (8%) less than the FY2017 level. The House Appropriations Committee reported its version of an FY2018 THUD appropriations bill on July 17, 2017 (H.R. 3353). It recommended $115.3 billion ($56.5 billion in discretionary funding), less than 1% below the FY2017 level. The text of that bill was incorporated into a consolidated appropriations bill (H.R. 3354), amended (with no change in total funding for THUD, but changes in some accounts within THUD), and passed by the House on September 14, 2017. The Senate Appropriations Committee reported its version of an FY2018 THUD bill on July 27, 2017 (S. 1655). It recommended $119.1 billion ($60.1 billion in discretionary funding), 2.4% more than FY2017. With inflation forecast at 1.9% for FY2018, the House bill would result in a roughly 3% decrease in real THUD funding, while the Senate bill would result in a slight increase in real funding, compared to FY2017.

With no agreement on FY2018 funding, Congress passed a continuing resolution (H.R. 601) to provide funding through December 8, 2017, for federal agencies. That act extended FY2017 funding levels for the THUD agencies, less an across-the board rescission 0.6791%.

DOT: The Trump Administration requested $75.1 billion in net new budgetary authority for DOT for FY2018. That was about $2 billion less than the comparable figure ($77.1 billion) for FY2016, with significant cuts requested for transit and rail programs. Both the House and Senate bills largely rejected the proposed cuts; the House approved $77.5 billion in new funding, and the Senate Appropriations Committee recommended $78.6 billion.

HUD: The Trump Administration requested $31.4 billion in net new budget authority for HUD for FY2018, $7.4 billion less than FY2017 (-19%). It requested no funding for several major grant programs, including the Community Development Block Grant (CDBG) program and the HOME Investment Partnership program. The House bill proposed $38.3 billion, a small increase in overall funding relative to FY2017 (-1.3%), and did not include the proposed eliminations of HOME and CDBG funding. The Senate committee bill recommended $40.2 billion, a 4% increase over FY2017.

Related Agencies: The Trump Administration requested $226 million for the agencies in Title III of the THUD bill (the Related Agencies). This was about $113 million less than was provided in FY2017. The major change in funding from FY2017 levels in the request was proposals to terminate funding for the Neighborhood Reinvestment Corporation (NRC) and the Interagency Council on Homelessness (ICH). The President's budget requested only enough funding to close out the commitments of those two entities. Neither the House nor Senate committee bills included the President's proposal to wind down funding for the NRC; the House bill, but not the Senate committee-passed bill, would eliminate funding for the ICH.

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Introduction to Transportation, HUD, and Related Agencies (THUD) Appropriations

The Transportation, Housing and Urban Development, and Related Agencies (THUD) Appropriations Subcommittees in the House and Senate are charged with drafting bills to provide annual appropriations for the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), and six small related agencies.

Title I of the annual THUD appropriations bill generally funds DOT. The department is primarily a grant-making and regulatory organization. Its programs are organized roughly by mode of transportation, providing grants to state and local government agencies to support the construction of highways, transit, airport, and intercity passenger rail infrastructure, while overseeing safety in all modes of transportation. The Federal Aviation Administration (FAA) is exceptional among DOT's large sub-agencies in that the largest portion of its budget is not for grants but for operating the U.S. air traffic control system. In support of that task, it employs over 80% of DOT's total workforce, roughly 46,000 of DOT's approximately 56,000 employees.

Title II of the annual THUD appropriations bill generally funds HUD. The department's programs are primarily designed to address housing problems faced by households with very low incomes or other special housing needs. These include several programs of rental assistance for persons who are poor, elderly, and/or have disabilities. Three rental assistance programs—Public Housing, Section 8 Housing Choice Vouchers, and Section 8 project-based rental assistance—account for the majority of the department's funding. Two block grant programs—the HOME Investment Partnerships Program and Community Development Block Grants (CDBG)—help communities finance a variety of housing and community development activities designed to serve low-income families. Other, more specialized grant programs help communities meet the needs of homeless persons, including those with AIDS. HUD's Federal Housing Administration (FHA) insures mortgages made by lenders to homebuyers with low down payments, often first-time homebuyers, and to buyers and developers of multifamily rental buildings containing relatively affordable units.

Title III of the THUD appropriations bill generally funds a collection of agencies involved in transportation or housing and community development. They include the Access Board, the Federal Maritime Commission, the National Transportation Safety Board, the Amtrak Office of Inspector General (IG), the Neighborhood Reinvestment Corporation (often referred to as NeighborWorks), the U.S. Interagency Council on Homelessness, and the costs associated with the government conservatorship and regulation of the housing-related government-sponsored enterprises, Fannie Mae and Freddie Mac. The Surface Transportation Board, formerly an agency of DOT, was made independent of DOT in 2015 legislation, and now appears in Title III of the THUD bill.

Title IV of the THUD appropriations bill typically sets out general provisions applicable to the bill. They can range from, for example, restrictions placed on funding in the bill to supplemental funding for disasters.

Budget Concepts Relevant to THUD Appropriations

Most of the programs and activities in the THUD bill are funded through *regular annual appropriations*, also referred to as discretionary appropriations.[1] This is the amount of new funding allocated each year by the appropriations committees. Appropriations are drawn from the general fund of the Treasury. For some accounts, the appropriations committees provide *advance appropriations*, or regular appropriations that are not available until the next fiscal year.

In some years, Congress will also provide *emergency appropriations*, usually in response to disasters. These funds are sometimes provided outside of the regular appropriations acts—often in emergency supplemental spending bills. Although emergency appropriations typically come from the general fund, they may not be included in the discretionary appropriation total reported for an agency.

Most of DOT's budget is in the form of *contract authority*. Contract authority is a form of mandatory budget authority based on federal trust fund resources, in contrast to discretionary budget authority, which is based on resources in the general fund. Contract authority controls spending from the Highway Trust Fund and the Airport and Airway Trust Fund. While the amount of contract authority is typically set in DOT authorizing legislation, appropriators have the final say in the amount of contract authority available each year by establishing a limitation on obligations (i.e., a limit on how much contract authority can be obligated). Total annual discretionary budget authority for THUD is typically around half of the total funding provided in the bill, with the remainder made up of DOT's mandatory contract authority.

Congressional appropriators are generally subject to limits on the amount of new nonemergency discretionary funding they can provide in a year. One way to stay within these limits is to appropriate no more than the allocated amount of discretionary funding in the regular annual appropriations act. Another way is to find ways to offset a higher level of discretionary funding. A portion of the cost of regular annual appropriations for the THUD bill is generally offset in two ways. The first is through *rescissions*, or cancellations of unobligated or recaptured balances from previous years' funding. The second is through *offsetting receipts and collections*, generally derived from fees collected by federal agencies, the largest source being fees collected from the FHA mortgage insurance programs at HUD.

THUD Funding Trends

Table 1 and **Figure 1** show recent funding trends for the primary THUD agencies, DOT and HUD, in both nominal and constant dollars (excluding emergency supplemental funding). In real terms, DOT and HUD funding declined for several years after FY2010, and even in FY2017 their funding was still below their FY2010 levels.

[1] According to *Congressional Quarterly*'s *American Congressional Dictionary*, discretionary appropriations are appropriations not mandated by existing law and therefore made available annually in appropriations bills in such amounts as Congress chooses. The Budget Enforcement Act of 1990 defines discretionary appropriations as budget authority provided in annual appropriations acts and the outlays derived from that authority, but it excludes appropriations for entitlements.

Table 1. Funding Trends for Department of Transportation and Department of Housing and Urban Development, FY2010-FY2017

(in billions of constant 2017 dollars and nominal dollars)

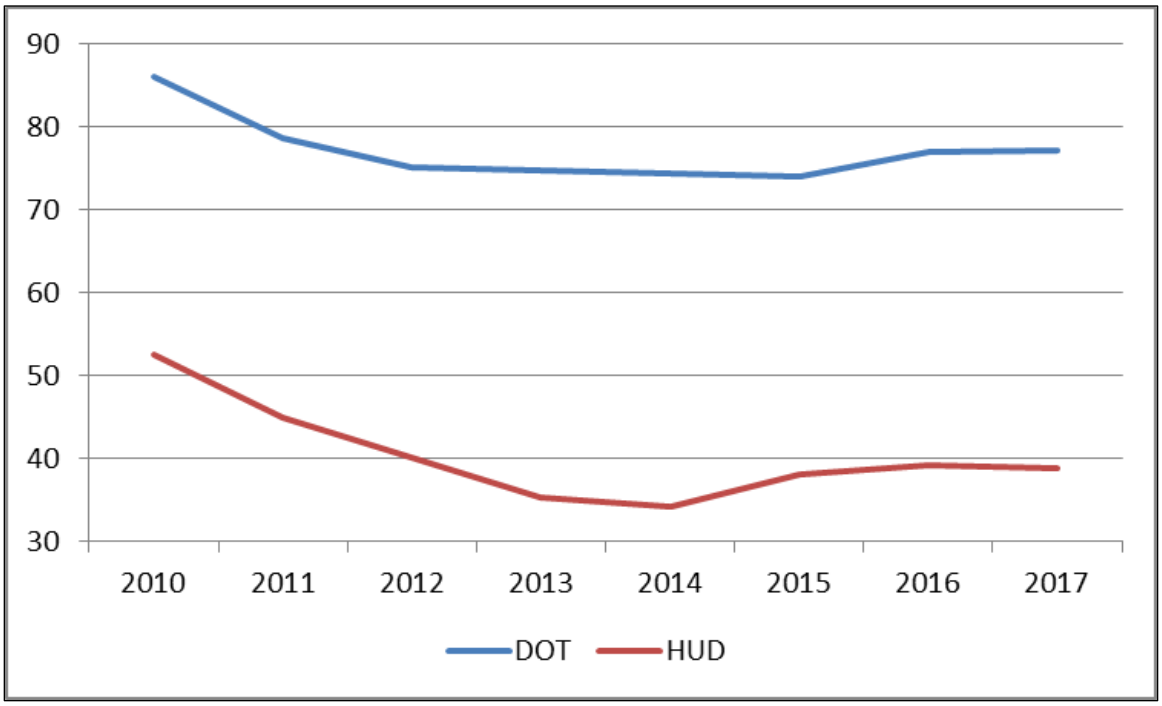
Department	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
DOT								
Constant	$85.9	$78.6	$75.0	$74.6	$74.2	$74.0	$76.8	$77.1
Nominal	76.9	71.9	70.0	70.7	71.4	71.7	75.1	77.1
HUD								
Constant	52.4	45.0	40.1	35.4	34.1	38.1	39.2	38.8
Nominal	$46.9	$41.1	$37.4	$33.5	$32.8	$36.9	$38.3	$38.8

Source: Calculated by CRS based on figures in annual House THUD Appropriations committee reports. Current dollars are converted to constant dollars using the GDP (Chained) Price Index column in Table 10.1 (Gross Domestic Product and Deflators Used in the Historical Tables: 1940-2022) from the FY2018 Budget Request: Historical Tables (https://www.whitehouse.gov/omb/budget/Historicals).

Notes: Amounts reflect across-the-board rescissions and sequestration. They do not reflect emergency funding or other supplemental funding. Figures include both mandatory and discretionary funding, and reflect budget authority net of any savings from offsets or rescissions.

Figure 1. Funding Trends for Department of Transportation and Department of Housing and Urban Development, FY2010-FY2017

(in billions of constant 2017 dollars)



Source: Graphic created by CRS based on data presented in **Table 1**.

Status of the FY2018 THUD Appropriations Bill

Table 2 provides a timeline of legislative action on the FY2018 THUD appropriations bill.

Table 2. Status of FY2018 Transportation, Housing and Urban Development, and Related Agencies Appropriations

Bill	Subcommittee Markup		House Report	House Passage	Senate Report	Senate Passage	Conf. Report	Conference Approval		Public Law
	House	Senate						House	Senate	
H.R. 3353	07/11/17	07/25/17	07/17/17	09/14/17	07/27/17					
H.R. 3354[a]			H.Rept. 115-237		S.Rept. 115-138					
S. 1655										

Source: CRS Appropriations Status Table.

Note: By custom, appropriations bills originate in the House of Representatives.

a. The FY2018 Consolidated Appropriations Act, H.R. 3354, combined the text of H.R. 3353, with minor technical modifications, with the text of appropriations acts from seven other subcommittees.

FY2018 THUD Discretionary Funding Allocation

The annual budget resolution includes spending and revenue levels for the upcoming fiscal year, including spending allocations to House and Senate committees. These levels are enforceable by points of order. After the House and the Senate Appropriations Committees receive their discretionary spending allocations from the budget resolution (referred to as 302(a) allocations), they divide their allocations among their 12 subcommittees (referred to as the 302(b) suballocations). Each subcommittee is responsible for developing and reporting one of the 12 regular appropriations bills. Once the Appropriations Committees reports these suballocations to their respective chamber, these levels are also enforceable by points of order. While these suballocations alone cannot be used to determine how much funding any individual account or program will receive, they do set the parameters within which decisions about funding for individual accounts and programs can be made.

The House and Senate did not agree to a budget resolution for FY2018 (H.Con.Res. 71) until October. By that point, the House and Senate Appropriations Committees had each already taken action on THUD appropriations. In July of 2017, both committees released an informal suballocation for THUD. While such informal suballocations cannot be enforced by points of order, it was stated by the House Appropriations Committees that that the levels were being issued in order "to continue developing the 12 fiscal year 2018 appropriations bills ... given a concurrent resolution for the budget for fiscal year 2018 has yet to be adopted."[2] Subsequently, the House and Senate Appropriations Committee

[2] This statement and the House Appropriations Committee's informal suballocations, referred to as "interim suballocations" can be accessed at https://appropriations.house.gov/uploadedfiles/sbdv-3.pdf. The Senate Appropriations Committee's informal suballocations, referred to as "funding guidance" can be accessed at https://www.appropriations.senate.gov/imo/media/doc/072017%20FY2018%20Funding-Guidance.pdf.

each reported their FY2018 THUD appropriations bills at the level noted in their interim suballocations.

Table 3 shows the discretionary funding provided for THUD in FY2017, the Trump Administration request for FY2018, and the informal suballocations made by the House and Senate Appropriations Committees to the THUD subcommittees. **Table 4** lists the total funding provided for each of the titles in the bill for FY2017 and the amount requested for that title for FY2018.

As discussed earlier, much of the funding for this bill is in the form of contract authority, a type of mandatory budget authority. Thus the discretionary funding provided is only about half of the total funding provided in this bill.

Table 3. THUD FY2017 Discretionary Funding Appropriation, Informal FY2018 Suballocations, and FY2018 Discretionary Appropriation

(in billions of dollars)

	FY2018			
FY2017 Enacted	**Budget Request**	**House Informal Suballocation**	**Senate Informal Suballocation**	**Enacted**
$58.579	$47.928	$56.512	$60.058	

Source: FY2017 and Budget Request figures are taken from the budget table in H.Rept. 115-237; the House figures are from the draft *Report on the Revised Interim Suballocation of Budget Allocations for Fiscal Year 2018* posted on the House Appropriations Committee website (https://appropriations.house.gov/uploadedfiles/sbdv-3.pdf); Senate figures are from *Background: Fiscal Year 2018 Funding Guidance*, July 20, 2017, posted on the Senate Appropriations Committee website (https://www.appropriations.senate.gov/imo/media/doc/072017%20FY2018%20Funding-Guidance.pdf).

Note: FY2017 enacted and FY2018 request are net of advance appropriations, rescissions, offsetting collections, and other adjustments.

FY2018 THUD Funding

FY2018 Continuing Resolution

No full-year FY2018 appropriations bills were enacted before the fiscal year began on October 1, 2017. Instead, the Continuing Appropriations Act, 2018, and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (P.L. 115-56), were enacted into law on September 8, 2017. Division D of the act provides continuing appropriations for federal departments and agencies, including those generally funded by the THUD bill, through December 8, 2017. In general, discretionary programs covered by the act are funded at the same rate and under the same conditions as they were in FY2017, minus an across-the-board reduction of 0.6791%. The only special provision, or "anomaly" relevant to THUD can be found in Section 142; it extends the authorization for HUD's Mark-to-Market program—which was slated to expire on October 1, 2017—for the duration of the continuing resolution. Additionally, Division B of the law provides supplemental appropriations for disaster relief and includes $7.4 billion in HUD CDBG disaster relief funding. That funding is designated as emergency spending, and thus not subject to regular budget enforcement limitations.

As shown in **Table 4**, the Trump Administration's FY2018 budget included $106.65 billion for the programs in the THUD bill, $9.7 billion less than the $116.3 billion provided in FY2017. The request represented a reduction of roughly $2 billion for DOT and $7.5 billion for HUD. The DOT reduction came from zeroing out the Essential Air Service program and the TIGER (National Infrastructure Improvements) grant program and cutting funding for the New Starts

program in DOT; the HUD reduction came from reducing funding for most HUD programs and eliminating funding for several large grant programs, including the CDBG and HOME programs.

Table 4. Transportation, Housing and Urban Development, and Related Agencies Appropriations, FY2017-FY2018

(in millions of dollars)

Title	FY2017 Enacted	FY2018 Request	FY2018 House	FY2018 Senate Committee	FY2018 Enacted
Title I: Transportation					
Title I Discretionary	*$18,487*	*$16,348*	*$17,841*	*$19,466*	
Title I Mandatory	*57,725*	*58,722*	*58,822*	*59,059*	
Title I Total	76,213	75,070	76,663	*78,525*	
Title II: Housing and Urban Development	38,823	31,354	38,336	40,244	
Title III: Related Agencies	344	226	341	349	
Title IV: General Provisions	-4	0	-7	0	
Total	**$116,304**	**$106,650**	**$115,334**	**$119,117**	
Net Total Discretionary	***$58,579***	***$47,928***	***$56,512***	***$60,058***	
Total Mandatory	***$57,725***	***$58,722***	***$58,822***	***$59,059***	

Sources: Table prepared by CRS based on P.L. 115-31 and the Explanatory Statement accompanying H.R. 244, the FY2017 consolidated appropriations bill, as published in the *Congressional Record*, May 3, 2017, beginning on p. H4101; H.R. 3353 and the Comparative Statement of New Budget (Obligational) Authority as published in H.Rept. 115-237; and S. 1655 and the Comparative Statement of New Budget (Obligational) Authority as published in S.Rept. 115-138.

Note: Figures are net after rescissions, offsets, and other adjustments. Figures include advance appropriations provided in the bill, rather than advance appropriations that will become available in the fiscal year. The former are the amounts generally shown in committee press releases; the latter are the amounts against which the committee is generally "scored" for purposes of budget enforcement. Totals may not add up due to rounding and scorekeeping adjustments. Totals do not include emergency or disaster appropriations.

The House-passed H.R. 3354 would provide $115.3 billion for THUD; this represents a reduction of less than 1% from the comparable figure for FY2017. The Senate-reported S. 1655 recommended $119.1 billion for THUD; this represents an increase of just over 2% over FY2017 funding. With inflation forecast at 1.9% for FY2018, the House bill would result in a reduction of roughly 3% in real THUD funding, while the Senate bill would result in a slight increase in real funding, compared to FY2017. This situation is explored further in the next section of this report and in **Table 5**.

How Lower Budget Authority Becomes Greater Funding—the Impact of Offsets

In the case of the THUD bill, net discretionary budget authority (which is the level of funding measured against the 302(b) allocation) is typically not the same as the amount of new discretionary budget authority made available to THUD agencies, due to budgetary savings available from rescissions and offsets. Each dollar available to the subcommittees in rescissions

and offsets enables the subcommittee to provide an additional dollar of funding that does not count against the 302(b) allocation limit. As shown in **Table 5**, in FY2017, due to rescissions and offsets, the THUD subcommittees were able to provide $10.1 billion in discretionary appropriations to THUD agencies above the net discretionary budget authority level.

Table 5. Budget Adjustments in FY2017 and FY2018 THUD Appropriations Bills

(in millions of dollars)

Components of THUD Budget Authority	FY2017 Enacted	FY2018 House	FY2018 Senate Comm.
Gross discretionary budget authority			
New current year discretionary appropriations	*$63,345*	*$62,618*	*$65,475*
Advance appropriation from prior year	*4,400*	*4,400*	*4,400*
Total gross discretionary budget authority	**67,745**	**67,018**	**69,875**
Savings			
Rescissions of prior-year funding and contract authority	-861	-807	-118
Offsetting collections and receipts	-9,234	-9,699	-9,699
Total Savings	**-10,095**	**-10,506**	**-9,817**
Net Total Discretionary Budget Authority *(Gross BA less Savings)*	**$57,650**	**$56,512**	**$60,058**

Source: Table prepared by CRS based on Comparative Statement of New Budget (Obligational) Authority for Fiscal Year 2018 in H.Rept. 115-237 and S.Rept. 115-138.

The amount of these budget savings generally vary from year to year, meaning that the "cost" in terms of 302(b) allocation of appropriating a given level of gross budget authority varies as well. The largest source of budgetary savings for the THUD subcommittees is generally HUD's FHA insurance fund. Estimates of FHA offsets change from year to year based on estimates of the number of mortgages that FHA will insure and how much those mortgages are expected to earn in fees versus cost in insurance payouts. Those estimates, in turn, are based on expectations about the housing market, the economy, the credit quality of borrowers, and changes to FHA's fee structure, most of which are factors outside of the immediate control of policymakers.[3]

Detailed Tables and Selected Key Issues

Title I: Department of Transportation

Table 6 presents FY2018 appropriations totals and selected accounts for DOT, compared to FY2017 enacted levels. A brief summary of key highlights follows the table. For an expanded discussion, see CRS Report R44915, *Department of Transportation (DOT): FY2018 Appropriations*, by David Randall Peterman.

[3] For more information about the FHA insurance fund, see CRS Report R42875, *FHA Single-Family Mortgage Insurance: Financial Status of the Mutual Mortgage Insurance Fund (MMI Fund)*, by Katie Jones.

Table 6. Department of Transportation FY2017-FY2018 Selected Budget Details

(in millions of current dollars)

Department of Transportation Selected Account	FY2017 Enacted	FY2018 Request	FY2018 House	FY2018 Senate Cmte.	FY2018 Enacted
Office of the Secretary (OST)					
Payments to air carriers (Essential Air Service)[a]	$150	—	$150	$155	
National infrastructure investments (TIGER)	500	—	—	550	
Total, OST	826	171	299	871	
Federal Aviation Administration (FAA)					
Operations	10,026	9,891	10,185	10,186	
Facilities & equipment	2,855	2,766	2,855	3,005	
Research, engineering, & development	177	150	170	179	
Grants-in-aid for airports (Airport Improvement Program) (limitation on obligations)	3,350	3,350	3,350	3,600	
Total, FAA	16,407	15,126	16,560	16,970	
Federal Highway Administration (FHWA)					
Total, FHWA (Federal-aid highways: limitation on obligations + exempt contract authority)	44,005	44,973	44,973	44,973	
Federal Motor Carrier Safety Administration (FMCSA)					
Motor carrier safety operations and programs	277	283	283	283	
Motor carrier safety grants to states	367	375	475	462	
Total, FMCSA	644	658	758	745	
National Highway Traffic Safety Administration (NHTSA)					
Operations and research	326	302	329	311	
Highway traffic safety grants to states (limitation on obligations)	585	598	598	598	
Total, NHTSA	911	899	927	909	
Federal Railroad Administration (FRA)					
Safety and operations	218	199	218	210	
Research and development	40	39	40	40	
Railroad safety grants	—	—	—	—	
Amtrak					
Northeast Corridor Grants	*328*	*235*	*328*	*358*	
National Network	*1,167*	*525*	*1,100*	*1,242*	
Total Amtrak grants	*1,495*	*760*	*1,428*	*1,600*	
Intercity Passenger Rail					
Consolidated rail infrastructure and safety improvements	68	25	25	93	

Department of Transportation Selected Account	FY2017 Enacted	FY2018 Request	FY2018 House	FY2018 Senate Cmte.	FY2018 Enacted
Federal-state partnership for State of Good Repair	25	26	500	26	
Restoration and enhancement grants	5	—	—	5	
Total, FRA	1,851	1,149	2,211	1,974	
Federal Transit Administration (FTA)					
Formula grants (M)	9,734	9,733	9,733	9,733	
Capital investment grants (New Starts)	2,413	1,232	1,753	2,133	
Washington Metropolitan Area Transit Authority	150	150	150	150	
Total, FTA	12,415	11,226	11,752	12,129	
Maritime Administration (MARAD)					
Assistance to small shipyards	10	—	10	10	
Total, MARAD	523	391	498	578	
Pipeline and Hazardous Materials Safety Administration (PHMSA)					
Subtotal	236	231	240	244	
Offsetting user fees	-136	-132	-139	-139	
Emergency preparedness grants (M)	28	28	28	28	
Total, PHMSA	100	99	101	105	
Office of Inspector General	90	87	92	92	
Saint Lawrence Seaway Development Corporation	36	28	31	36	
DOT Totals[b]					
Appropriation (discretionary funding)	19,344	16,379	18,641	19,583	
Limitations on obligations (M)	57,725	58,722	58,822	59,059	
New funding before adjustments	**77,070**	**75,101**	**77,463**	**78,642**	
Rescissions of discretionary funding	—	-31	—	—	
Rescissions of contract authority	-857	—	-800	-118	
Net new discretionary funding	**$18,487**	**$16,348**	**$17,841**	**$19,466**	
Net new budget authority	**$76,213**	**$75,070**	**$76,663**	**$78,525**	

Sources: Table prepared by CRS based on information in H.Rept. 115-237 and S.Rept. 115-138.

Notes: "M" stands for mandatory budget authority. Line items may not add up to the subtotals due to omission of some accounts. Subtotals and totals may differ from those in the source documents due to treatment of rescissions, offsetting collections, and other adjustments. The figures in this table reflect new budget authority made available for the fiscal year. For budgetary calculation purposes, the source documents may subtract rescissions of prior-year funding or contract authority, or offsetting collections, in calculating subtotals and totals.

a. The Essential Air Service program receives an additional amount of mandatory budget authority; for FY2017, that additional amount is $104 million, for a total of $254 million.

b. The FY2016 totals include $31 million for the Surface Transportation Board, which was made an independent agency beginning in FY2017; its funding will henceforth be provided in Title III, Related Agencies.

DOT in Brief

President's Budget

The Trump Administration requested a $1.1 billion reduction in DOT from FY2017 levels, chiefly by zeroing out the Essential Air Service program (-$150 million) and the TIGER (National Infrastructure Investments) grant program (-$500 million) and reducing funding for the transit New Starts program by $400 million.

House Action

The House-passed bill would provide DOT an increase of less than 1% from FY2017.

Senate Action

The Senate-reported bill recommends a 2% increase for DOT over FY2017. The increase is chiefly for highways ($1.0 billion) and FAA programs ($563 million). In addition to providing more funding than in the House-passed bill, the Senate bill includes several policy provisions different from those in the House bill. These include authorizing an increase in the passenger facility charge that airports can charge passengers to help pay for airport improvements, from the current limit of $4.50 (limited to two charges per one-way ticket) to $8.50 (limited to the originating airport; an airport through which the passenger is connecting would still be limited to a $4.50 charge). The bill would also authorize DOT to ban cell phone calls by passengers in flight. It also would appropriate considerably less funding for the Federal Railroad Administration State of Good Repair grant program than does the House bill, which may signal a disagreement over funding for Amtrak's Hudson Tunnel Replacement project.

Title II: Department of Housing and Urban Development (HUD)

Table 7 presents account-level funding information for HUD, comparing FY2017 with FY2018 congressional action.

Table 7. HUD FY2017-FY2018 Detailed Appropriations

(in millions of dollars)

Accounts	FY2017 Enacted	FY2018 Request	FY2018 House[a]	FY2018 Senate Cmte.	FY2018 Enacted
Appropriations					
Salaries and Expenses (Mgmt. & Adm.)	$1,355	$1,324	$1,351	$1,355	
Tenant-Based Rental Assistance (Sec. 8 Housing Choice Vouchers)	20,292	19,318	20,487	21,365	
Voucher Renewals (non-add)	*18,355*	*17,584*	*18,710*	*19,370*	
Administrative Fees (non-add)	*1,650*	*1,550*	*1,550*	*1,725*	
New Incremental Vouchers (Including VASH) (non-add)	*50*[b]	*0*	*0*	*60*[c]	
Public Housing Capital Fund	1,942	628	1,852[d]	1,945	
Public Housing Operating Fund	4,400	3,900	4,390[d]	4,500	

Accounts	FY2017 Enacted	FY2018 Request	FY2018 House[a]	FY2018 Senate Cmte.	FY2018 Enacted
Choice Neighborhoods	138	0	20	50	
Family Self Sufficiency	75	75	75	75	
Native American housing block grants	654	600	654	655	
Native American Housing Block Grants (non-add)	*645*	*598*	*645*	*646*	
Training and Technical Assistance (non-add)	*7*	*0*	*7*	*7*[e]	
Indian housing loan guarantee[f]	7	0[g]	7	1	
Native Hawaiian block grant	2	0	0	1	
Housing, persons with AIDS (HOPWA)	356	330	375[d]	330	
Community Development Fund	3,060	0	3,070[d]	3,060	
CDBG Formula Grants	*3,000*	*0*	*3,010*[d]	*3,000*	
Indian Tribes	*60*	*0*	*60*	*60*	
HOME Investment Partnerships	950	0	850	950	
Self-Help Homeownership	54	0	50[d]	54	
Self-Help and Assisted Homeownership Opportunity Program	*10*	*0*	*10*	*10*	
Section 4 Capacity Building	*35*	*0*	*35*[d]	*35*	
Rural Capacity Building	*5*	*0*	*5*	*5*	
Veterans Home Rehabilitation Pilot Program	*4*	*0*	*0*	*4*	
Homeless Assistance Grants	2,383	2,250	2,383	2,456	
Project-Based Rental Assistance (Sec. 8)	10,816	10,751	11,082	11,507	
Contract Renewals	*10,581*	*10,466*	*11,082*	*11,222*	
Contract Administrators	*235*	*285*	*0*[h]	*285*	
Rental Assistance Demonstration	0	0	0	4[i]	
Housing for the Elderly (Section 202)	502	510	576[d]	573	
Housing for Persons with Disabilities (Section 811)	146	121	147	147	
Housing Counseling Assistance	55	47	50	47	
Manufactured Housing Fees Trust Fund[j]	11	11	11	11	
Rental Housing Assistance	20	14	14	14	
Federal Housing Administration (FHA) Expenses[j]	130	160[k]	130[k,d]	130[k]	
Government National Mortgage Assn. (GNMA) Expenses[j]	24	26	26	25	
Research and technology	89	85	83[d]	85	
Fair housing activities	65	65	65	65	
Fair Housing Assistance Program (non-add)	*24*	*24*	*24*	*24*	
Fair Housing Initiatives Program (non-add)	*39*	*39*	*39*	*40*	
Office, lead hazard control	145	130	130	160	
Lead Hazard Control Grants (non-add)	*60*	*55*	*55*	*130*[l]	
Lead Hazard Reduction Demonstration (non-add)	*55*	*45*	*50*	*0*[l]	

Accounts	FY2017 Enacted	FY2018 Request	FY2018 House[a]	FY2018 Senate Cmte.	FY2018 Enacted
Information Technology Fund	257	250	29[d]	250	
Inspector General	128	126	128	126	
Gross Appropriations Subtotal	*48,056*	*47,022*	*48,034*	*49,942*	
Offsetting Collections and Receipts					
Manufactured Housing Fees Trust Fund	-11	-11	-11	-11	
FHA	-7,998	-7,741	-8,011	-8,011	
GNMA	-1,224	-1,616	-1,676	-1,676	
Offsets Subtotal	*-9,233*	*-9,368*	*-9,698*	*-9,698*	
Total Net Discretionary Budget Authority	***$38,823***	***$31,354***	***$38,336***	***$42,244***	

Source: Table prepared by CRS based on P.L. 115-31 and the Explanatory Statement accompanying H.R. 244, the FY2017 consolidated appropriations bill, as published in the *Congressional Record*, May 3, 2017, beginning on p. H4101; H.R. 3353 and the Comparative Statement of New Budget (Obligational) Authority, as published in H.Rept. 115-237, and H.R. 3354, as amended during floor consideration; S. 1655 and the Comparative Statement of New Budget (Obligational) Authority as published in S.Rept. 115-138; and HUD FY2018 Congressional Budget Justification.

Notes: Totals may not add due to rounding. Only selected set-asides are presented in this table. Figures include advance appropriations provided in the bills. Supplemental disaster relief appropriations are not shown in this table.

a. Note that the HUD-related portion of H.R. 3354, the vehicle for the FY2018 consolidated appropriations bill as published on the Rules Committee website, was substantively identical to the HUD-related portion of H.R. 3353, the FY2018 THUD appropriations bill reported by the House Appropriations Committee. H.R. 3354 was subsequently amended during floor consideration, and HUD related amendments are incorporated into this table.

b. Includes $40 million for Veteran Affairs Supportive Housing (VASH) vouchers and $10 million for Family Unification Program (FUP) vouchers, with a priority for serving youth exiting foster care.

c. Includes $40 million for VASH vouchers and $20 million for FUP vouchers, with a priority for serving youth exiting foster care.

d. This amount is adjusted to reflect floor amendments.

e. In recent years, appropriations acts have included funding in this account for national and regional organizations that represent Native American housing interests to provide training and technical assistance to tribes, and separate funding for HUD to "support the inspection of Indian housing units, contract expertise, training, and technical assistance" related to Native American housing programs. S. 1655 would combine this funding and provide $7 million in total funding for training and technical assistance. (In FY2017, $3.5 million was provided for each purpose, for a total of $7 million.) The bill would not specify an amount for national and regional organizations, but in S.Rept. 115-138 the committee states that it "expects that these technical assistance funds will be provided to both national and regional organizations" with relevant experience.

f. A separate home loan guarantee program for Native Hawaiians was not funded in FY2017, and funding for that program is not included in the President's budget request or in either the House or Senate committee-passed bills. However, the FY2018 HUD Budget Justification states that HUD "will carry forward balances of prior year loan guarantee authority sufficient to guarantee up to $23.3 million in loans" under the Native Hawaiian home loan guarantee program in FY2018.

g. The President's budget does not request funding for the Indian Housing Loan Guarantee Program. However, the FY2018 HUD Budget Justification states that HUD "will carry forward balances of prior year subsidy budget authority sufficient to guarantee up to $1.78 billion in loans in fiscal year 2018" under the program. The Senate committee-passed bill provides less credit subsidy, and authorizes a lower aggregate dollar amount of loan guarantees, than was provided in FY2017 or is included in the House bill.

h. Since 2001, HUD has contracted with Public Housing Agencies and State Housing Finance Agencies to manage project-based Section 8 contracts on the department's behalf. In 2008, HUD began the process of rebidding its existing contracts. That rebid process was contentious, and ended in litigation that ultimately required HUD to restart the process under new terms. The House Appropriations Committee, in H.Rept. 115-237, expresses displeasure with the department for not having completed the rebid per the guidance of the committee, and states "Until the Committee gets assurances that HUD will respond appropriately, the Committee directs HUD to perform these functions in-house and provides adequate funding under the Management and Administration account."

i. Section 236 of the General Provisions of the bill proposes a number of modifications to the Rental Assistance Demonstration (RAD) program, including removing the cap on the number of public housing units that may participate (currently at 225,000 units), allowing higher rents for certain multifamily properties that wish to convert (under what is often referred to as first component RAD), and expanding eligibility for RAD conversion to Section 202 properties. The bill would provide $4 million for additional rental subsidy to facilitate the conversion of 202 units.

j. Some or all of the cost of funding these accounts is offset by the collection of fees or other receipts, shown later in this table.

k. The President's budget requested an increase of $30 million in appropriations for administrative contract expenses for FHA over FY2017, to be offset by a new administrative support fee to be charged to participating FHA lenders. Neither the House nor Senate committee-passed bills provide this additional funding or the authority to charge an administrative support fee.

l. In S.Rept. 115-138, the Senate Appropriations Committee states that "In an effort to ensure that more communities can access funding to address lead-based paint hazards in their low-income housing, the Committee has consolidated HUD's two lead hazard funding programs into a single grant program." However, it also states that "the Committee directs HUD to award no less than $65,000 of grants to remediate lead-based paint hazards in low-income housing to those jurisdictions with the highest lead-based paint abatement needs."

HUD in Brief

President's Budget

The President's FY2018 budget request for HUD included the following:

- $40.7 billion in *gross* discretionary appropriations for HUD, not accounting for savings from offsets and other sources. That amount is about $7.3 billion (15%) less than was provided in the final FY2017 appropriations law.
- $31.2 billion in *net* discretionary appropriations for HUD, accounting for the effect of offsets, rescissions, and other savings.
- A proposal to eliminate funding for several HUD grant programs. Most notable among these are HUD's two largest block grant programs for states and localities, the CDBG and HOME programs, as well as grants funded in the Self-Help Homeownership Opportunity (SHOP) account (i.e., funding for sweat-equity programs, like Habitat for Humanity, and certain capacity building programs).
- Large funding reductions for public housing, including a 68% cut relative to FY2017 for the capital fund and elimination of funding for the Choice Neighborhoods program.
- Funding reductions for most other accounts relative to FY2017, with the exception of the Housing for the Elderly account (2% increase).
- Several policy proposals, including an increase in the share of rent paid by certain recipients of HUD-assisted housing from 30% of family income to 35% and an elimination of utility reimbursements paid to families in assisted housing.

House Action

As reported by the House Appropriations Committee, H.R. 3353 would have provided the following for HUD:

- $48.0 billion in *gross* discretionary appropriations for HUD, which is about $7.3 billion (15%) more than was requested by the President and only slightly (<1%) less than was enacted for FY2017. ($38.3 billion in *net* discretionary funding.)
- Small increases in funding for the tenant-based rental assistance account (+1%) and project-based rental assistance account (+2%) relative to FY2017. The public housing operating fund would receive level funding, and the capital fund would be cut by 5%.
- Funding reductions for major HUD grant programs, but not an elimination of funding, as proposed in the President's budget. Relative to FY2017, the bill would have cut the SHOP account by 17%, HOME by 11%, and CDBG by 3%.

During floor consideration of H.R. 3354, which includes as Division H the text of H.R. 3353, HUD-related floor amendments were approved:

- Increasing funding for: CDBG, SHOP, Public Housing Capital Fund, Housing for Persons with AIDS, and Housing for the Elderly (Section 202).
- Offsetting those increases with decreases for: Public Housing Operating Fund, Information Technology, FHA administrative expenses, and Research and Technology.
- Making policy changes to block HUD's implementation of some manufactured housing regulations and guidance (Sec. 424) and to allow for the study of certain foundation materials (amendment to the Community Development Fund account).

Senate Action

As reported by the Senate Appropriations Committee, S. 1655 would provide the following for HUD:

- $49.9 billion in *gross* discretionary appropriations for HUD's programs and activities, which is 4% more than was enacted for FY2017 and 23% more than was proposed by the President ($40.2 billion in *net* discretionary appropriations).
- Increases in funding for the Section 202 Housing for the Elderly program (+14% over FY2017 enacted), the project-based rental assistance account (+6%), and the tenant-based rental assistance account (+5%).
- Level funding, relative to FY2017, for the grant programs slated for elimination in the President's budget request (CDBG, HOME, and the programs included in the SHOP account).
- Several new policy changes, including an expansion of the Rental Assistance Demonstration (eliminating the cap on the number of units that may convert, modifying the terms of conversion for some properties and expanding the program to Section 202 Housing for the Elderly properties (Section 236 of the General Provisions)) and new penalties for HUD if the agency does not issue reports to the committee about properties that fail inspection (Section 202 of the General Provisions).

Title III: Related Agencies

Table 8 shows appropriations levels for the various related agencies funded within the Transportation, HUD, and Related Agencies appropriations bill. The Surface Transportation Board was transferred from the DOT title to the Related Agencies title starting with FY2017.

Table 8. Appropriations for Related Agencies, FY2017-FY2018

(in millions of dollars)

Related Agencies	FY2017 Enacted	FY2018 Request	FY2018 House	FY2018 Senate Cmte.	FY2018 Enacted
Access Board	$8	$8	$8	$8	
Federal Maritime Commission	27	26	27	27	
National Railroad Passenger Corporation (Amtrak) Office of Inspector General	23	23	23	23	
National Transportation Safety Board	106	105	106	110	
Neighborhood Reinvestment Corporation (NeighborWorks)	140	27	140	140	
Surface Transportation Board	37	37	37	37	
Offsetting Collections	-1	-1	-1	-1	
U.S. Interagency Council on Homelessness	4	<1	<1	4	
Total	**$344**	**$226**	**$341**	**$349**	

Source: Table prepared by CRS based on P.L. 115-31 and the Explanatory Statement accompanying H.R. 244, the FY2017 consolidated appropriations bill, as published in the *Congressional Record*, May 3, 2017, beginning on p. H4101; H.R. 3353 and the Comparative Statement of New Budget (Obligational) Authority as published in H.Rept. 115-237, and H.R. 3354, as amended during floor consideration; S. 1655 and the Comparative Statement of New Budget (Obligational) Authority as published in S.Rept. 115-138; and agency budget justifications.

Note: Totals may not add due to rounding.

Related Agencies, In Brief

The President's FY2018 budget request included that Congress begin the process of winding down **the Interagency Council on Homelessness (USICH)**, which was created in 1987 to coordinate across government agencies to reduce and end homelessness. The requested funding level—$57 a more than 80% reduction from FY2017—is intended to cover salaries, benefits, and operational costs for permanently closing the agency by November 2017. The USICH has a statutory sunset date—currently, October 1, 2018—that has generally been extended in annual appropriations acts. The House committee bill would adopt the President's request, allowing for the termination of the USICH; the Senate committee bill would not, funding the USICH at FY2017 levels and permanently eliminating the statutory sunset.

The President's FY2018 budget also included a request that Congress begin the process of winding down federal funding for the **Neighborhood Reinvestment Corporation** (commonly known as **NeighborWorks America**), which was created via federal charter in 1978 to support affordable housing and neighborhood revitalization nationwide. The requested funding level of $27 million is intended to cover personnel, administrative, and other costs associated with

winding down existing commitments. Both the House and Senate committee bills would continue to fund NeighborWorks at the FY2017 level.[4]

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[4] Between FY2008 and FY2016, appropriations acts provided additional funding to NeighborWorks America for housing counseling for mortgage borrowers facing foreclosure. This funding was known as the National Foreclosure Mitigation Counseling Program (NFMCP). In light of decreasing foreclosure rates, Congress stopped providing funding for this program in FY2017. Congress continues to provide funding that can be used for a range of housing counseling activities, including foreclosure prevention counseling, to HUD's Housing Counseling Assistance Program.