



Congressman Jim Jordan (R-OH), Chairman

July 28, 2010

\$67.4 Billion FY 2011 THUD Bill on Floor Tomorrow

Tomorrow, the House is scheduled to consider the FY 2011 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act. The bill provides a total spending level of \$67.4 billion. This is a \$500 million or 0.7% decrease compared to FY 2010. However, compared to FY 2008 (the last fiscal year prior to the FY 2009 omnibus enacted at the beginning of this Congress), the bill is a **\$18.6 billion** or **38.1%** increase. The bill provides funding for several programs that many conservatives oppose, including:

- **\$1.4 Billion for High Speed Rail** (\$400 million more than the President's request). Unfortunately, this spending comes with no viable plan for making rail competitive with travel by planes or cars on most routes.
- **\$20 Million for Livable Communities** (within the Office of the Secretary). This program is aimed at getting the Transportation Department involved in local planning decisions instead of building roads. Speaking of the general goals of the program, last year Secretary LaHood stated: "I think we can change people's behavior." He also stated that he wants to: "coerce people out of their cars."
- **\$1.8 Billion for Amtrak** (\$202 million compared to last year). Congress created Amtrak as a for-profit corporation in 1970. Since then, taxpayers have provided \$37 billion of subsidies.
- **\$150 Million for special subsidy to Washington DC Metro**. This is part of a ten-year \$1.5 billion plan to provide a special subsidy to the Washington Metropolitan Area Transit Authority (WMATA). The Washington, DC area is one of the wealthiest regions of the country.
- **\$3.9 Billion for the Community Development Block Grant program**. Many conservatives would argue that this spending falls under the category of state, local, or non-governmental responsibilities.
- **\$146 Million for Essential Air Service**. This program pays up to 93% of the cost of flights that are in many cases nearly empty.
- **\$50 Million for Distracted Driving Prevention Incentive Program**. This program is aimed at interfering in state laws with regard to texting while driving.

Quote of the Week:

"For anybody to pretend that we haven't taken action on a budget is incorrect."

-Steny Hoyer, 7/13/2010

\$76 Billion FY 2011 MilCon-Veterans on Floor Today

Today, the House is scheduled to consider the FY 2011 Military Construction-Veterans Affairs Appropriations Act. The bill provides a non-emergency funding level of \$76 billion for FY 2011, which is \$608 million or 0.8% less than last year. Compared to FY 2008 (the last fiscal year prior to the FY 2009 omnibus enacted at the beginning of the Congress), the bill is a **\$15.8 billion** or **26.2%** increase. The bill also provides \$1.3 billion of emergency-designated spending for military construction projects related to the war in Afghanistan. Finally, the bill provides \$50.6 billion of advance FY 2012 appropriations.

OMB Mid-Session Review: \$1.47 Trillion Deficit in FY 2010

Late Friday, the Obama Administration released its mid-session review for the ten-year budget window. The report projects a \$1.47 trillion deficit in FY 2010, which would be the highest in U.S. history, as well as the second year in a row that the budget deficit has exceeded \$1.4 trillion. Prior to FY 2009, the budget deficit had never exceeded \$459 billion. Going forward, OMB projects the national debt to reach \$26 trillion by 2020.