



Policy Update

March 23, 2023

Congress/Budget - Members of the President’s Cabinet will be testifying before both the appropriation and authorizing committees. USDOT Secretary Buttigieg will testify before the Senate Appropriations Committee today (March 23, 2023) in support of the President’s budget.

Funding Transportation/HUD Appropriations in 2024 has become more challenging this year due to incoming revenues being \$13 billion less. This revenue impact is due to changes in the housing market.

The Federal Reserve interest rate hikes have flatlined mortgage activity, including for HUD-backed loans, reducing revenues by \$7 billion. Other changes in the housing market, including higher rental prices and utility costs, are putting pressure on HUD's rental assistance programs to the tune of an extra \$6 billion that is needed for fiscal 2024 to make sure people don't lose their homes. Because Transportation and HUD appropriations are combined in one bill, the deficits on the housing side impact transportation as well. IIJA/BIL guaranteed funding is not impacted by this issue. Earmarks could also be funded at a lower rate in the new Congress as a result.

President’s Budget Request - [Budget Highlights 2024 \(transportation.gov\)](https://www.transportation.gov/budget-highlights-2024)

The total Budget Request (mandatory + discretionary) to Congress for FY24 is just under \$145 billion, which is \$73 million less than the enacted amount in FY23. While the mandatory spending increases due to the IIJA/BIL guaranteed amounts, spending for discretionary accounts (which is what Congress would appropriate) is reduced by \$882 million. The total USDOT Budget includes all the modes and programs under the USDOT, which includes programs and agencies not in the IIJA/BIL (at least typically not under a surface transportation bill). The Budget Request adheres to IIJA/BIL.

Within the Office of the Secretary, the budget requests an increase of \$1.220 billion for the MEGA projects grant program for a total of \$2.220 billion and holds RAISE at \$1.5 billion.

(In 2022 there was a \$5.6 billion amount for USDOT under the Inflation Reduction Act not reflected in the tables).

Selected Modes & Programs (**Amounts in columns will NOT add to totals**)

Highways

	2022	2023	2024 Request
Federal Aid Highways (Trust Fund)	\$57.5 billion	\$58.8 billion	\$60.1 billion
Highway Infrastructure Program (IIJA + Discretionary Gen Funds)	\$11.9 billion	\$12.9 billion	\$9.5 billion (No earmarks, bridge formula, PROTECT, other)
FHWA Total	70,069,635	72,333,600	70,247,060

The Budget Request includes the repurposing \$60.0 million in unobligated balances (from unused TIFIA funding) to fund the Active Transportation Infrastructure Investment Program, which would provide competitive grants for the construction of active transportation networks, including sidewalks, bikeways, and pedestrian and bicycle trails.

Transit

	2022	2023	2024 Request
Formula Grants	\$13.4 billion	\$13.6 billion	\$14 billion
Capital Investment Grants (IIJA + Discretionary Gen Funds)	\$3.8 billion	\$4.2 billion	\$4.5 billion
Transit Infrastructure Grants (IIJA + Discretionary Gen Funds)	\$2.6 billion	\$2.6 billion	\$2.1 billion (No earmarks and other)
FTA Total	\$20.5 billion	\$21.2 billion	\$21.3 billion

Rail

	2022	2023	2024 Request
CRISI Grants (IIJA + Discretionary Gen Fund)	\$1.625 billion	\$1.560 billion	\$1.510 billion
Amtrak NEC (IIJA + Discretionary Gen Fund)	\$2.075 billion	\$2.460 billion	\$2.427 billion
Amtrak National Network (IIJA + Discretionary Gen Fund)	\$4.7 billion	\$4.4 billion	\$5 billion
RR Crossing Elimination (IIJA + Discretionary Gen Fund)	\$600 million	\$600 million	\$850 million
Fed/State Partnership	\$7.3 billion	\$7.3 billion	\$7.760 billion
FRA Total	\$16.5 billion	\$16.6 billion	\$18 billion

Aviation (no airport earmarks in the Budget Request)

	2022	2023	2024 Request
Facilities and Equipment (IIJA + Discretionary Gen Funds)	\$3.9 billion	\$3.9 billion	\$4.5 billion
Grants in Aid for Airports (Trust Fund)	\$3.350 billion	\$3.350 billion	\$3.350 billion
Airport Infrastructure Grants (IIJA)	\$3 billion	\$3 billion	\$3 billion
Airport Terminal Program (IIJA)	\$1 billion	\$1 billion	\$1 billion
FAA Total	\$23.5 billion	\$24 billion	\$24.8 billion

Grants

SMART - USDOT announced the first round of SMART Grant awards totaling over \$94 million for 59 projects across the country through the new **Strengthening Mobility and Revolutionizing Transportation (SMART) Grants Program**. Established under the IIJA/BIL, the grant program provides State, local, and Tribal governments \$500 million (\$100 million annually). The purpose of the SMART Grants Program is to conduct demonstration projects focused on advanced smart city or community technologies and systems in a variety of communities to improve transportation efficiency and safety. The program funds projects that are focused on using technology interventions to solve real-world challenges and build data and technology capacity and expertise in the public sector. The maximum award per project was \$2,000,000 for the 2022 round of funding. The next funding opportunity of \$100 million is expected to be released in the Fall of 2023.

For more information about the awards please use this link - [SMART 2022 | US Department of Transportation](#)

Fed-State Partnership for Intercity Passenger Rail - Applications for the FSP non-Northeast Corridor (NEC) are due April 21 and the FSP NEC are due March 27.

[Key Notices of Funding Opportunity | US Department of Transportation](#)

[Updated NOFO Schedule](#)

[Grants | US Department of Transportation](#)

[Bipartisan Infrastructure Law | FTA \(dot.gov\)](#)

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