

# AGENDA ITEM XII - ACTION

November 18, 2009

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## FHWA Metropolitan Planning (PL) Funding

### **BACKGROUND INFORMATION:**

On September 30, 2009 the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expired. The House and Senate have passed the Interior-Environment Appropriations bill (H.R. 2996) that includes a continuing resolution (CR) to extend SAFETEA-LU and fund the Federal government at FY 2009 levels through December 18. The CR would continue providing contract authority for highway, transit and safety programs at the post-rescission FY 2009 levels through December 18, 2009. The bill is being prepared for the President's signature.

Federal revenue shortfalls have required a number of recessions in fiscal 2009. To date (prior to this fiscal year) the rescissions have not impacted FHWA planning (PL) funding. The first CR which was for the period October 1 through October 31, 2009, the FHWA PL funding provided to Texas for the one month period was approximately 70 percent of the amount it would have been for a one month period prior to October 1<sup>st</sup> or last fiscal year. According to FHWA Regional Office, the FHWA has confirmed that it was indeed the intent of Congress to provide funding that reflected post rescission funding levels, and that this was specifically stated in the CR.

Based on this scenario, for budgeting purposes, PL funding levels for the first quarter of FY 2010 are going to be less than originally anticipated. The situation is fluid until Congress decides what to do in the coming months regarding additional CRs and new legislation.

Previously (2006-2007), the board/staff considered moving its fiscal agent in order to reduce overhead costs. It may be appropriate to reinstate negotiations.

A formal notice from FHWA and TxDOT will provide further guidance once it is available.

### ***ACTION REQUESTED:***

*Board confirms staff's authority to study options on fiscal agent.*

### **ATTACHMENTS:**

- None