

Status of Jobs Bill

February 17, 2010

Transportation Funding To Maryland Within House Jobs Bill

H.R. 2847, the Jobs for Main Street Act of 2010 (House Jobs Bill) passed the House in December 2009. The Senate offered a bill on February 11th that does not include funding for job creation through ARRA-like project funding. The biggest difference between the American Recovery and Reinvestment Act (ARRA) and the House Jobs Bill is the requirement that the first 50 percent of highway and transit formula funding be *under contract* (construction contract signed by State entity and contractor) within 90 days from enactment of the bill.¹ For most projects, at least 90 days are needed from the date of advertisement for a contract to be signed, so this provision is a serious concern for the Maryland Department of Transportation (MDOT) and all state transportation agencies across the country.

The other major difference from ARRA is that the Jobs Bill, as passed by the House, does not include funding for discretionary programs such as Transportation Investments Generating Economic Recovery (TIGER) and High Speed Intercity Passenger Rail (HSIPR), nor for design and engineering work unless the project is also funded for construction and will be completed in the 3 year timeframe for all projects.

House Jobs bill funding allocations:

- \$431.0 million - MD Highway Apportionment (same as ARRA)²
- \$141.7 million – Estimated MD Transit Apportionment – (slightly more than ARRA)³
- \$66.5 million - WMATA Apportionment for areas within Maryland (approx. 35%)⁴

Status of Senate Debate on Jobs Bill

Hours after Senate Finance Committee Chairman Max Baucus, and the committee's Ranking Member, Charles E. Grassley, circulated their *Hiring Incentives to Restore Employment (HIRE) Act*, an \$85 billion draft of tax cuts and spending provisions, Senator Majority Leader Harry Reid announced that he would instead offer in its stead a scaled-down bill that contains just four elements of the Baucus-Grassley proposal: (1) the Highway Trust Fund extension to December 31; (2) the Build America Bonds expansion; (3) the Schumer-Hatch payroll tax holiday; and (4) section 179 expensing (plus offsets for the cost of these provisions).

Reid then used a procedure to prevent any amendments, Democratic or Republican, from being offered to his proposal and filed cloture on the motion to concur in the House amendment with Reid's amendment. That cloture vote will occur on Monday February 22 at 5:30 p.m. If the cloture motion gets at least 60 votes, this would set up a final vote on the Reid amendment on Wednesday, February 24.

¹ ARRA required 50% of apportioned highway and transit formula funds to be **obligated** (approved by the Federal Highway Administration or Federal Transit Administration) within 120 days.

² Includes \$288.8 million (67%) for statewide projects; \$129.3 million (30%) set aside for sub-allocation using the STP formula; and, \$12.9 million (3%) for TE projects.

³ Precise numbers are not available from FTA

⁴ The WMATA board members would decide on these projects that cannot always be attributed to jurisdictions.