

**SANTA CRUZ COUNTY RTC  
WASHINGTON OFFICE MEMORANDUM**

**TO:** Pat Dellin

**FROM:** Carolyn Chaney/Chris Giglio

**DATE:** March 23, 2005

**SUBJECT:** Senate TEA-21 Update

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The Senate Environment and Public Works (EPW) Committee, which oversees highway spending, and the Senate Banking Committee, which oversees transit programs, approved their respective titles of a surface transportation reauthorization bill last week, although at lower funding levels than most Senators preferred.

The \$284 billion level in the Senate measure mirrors the House version (HR 3) approved two weeks ago, and is reportedly the amount acceptable to the Bush Administration. At the EPW Committee markup, Chairman James Inhofe (R-OK) urged members to hold off on amendments to drive up the funding level, but remarked that he expected there to be efforts on the Senate floor to bring the bill in line with the six-year, \$318 billion bill that was approved overwhelmingly in the Senate in 2004.

In addition to being disappointed with the overall funding number, Banking Committee Chairman Richard Shelby (R-AL) expressed frustration that the percentage of transit dollars in the bill has dropped disproportionately from the measure (S 1072) approved in the Senate last year. In S 1072, transit programs would have received \$56.6 billion, or 18.8 percent of the overall amount, while the legislation approved this week would only authorize \$51.6 billion for transit, or roughly 18.2 percent of the total available funding.

The “donor-donee” issue with regard to highway spending is addressed in the bill but not to the degree that it guarantees a 95 percent return on Highway Trust Fund contributions. Despite the lower funding level, a provision in the bill remains from last year that would provide each state at least a 10 percent increase over the funds received in TEA-21. However, the measure would also cap a state’s growth in highway funds each year to 19% in 2005, 22% in 2006, 23% in 2007, and 28% in 2008. The so-called growth “ceiling” would be lifted in 2009.

Unlike its House counterpart the Senate did not propose earmarks for Members’ individual highway or transit projects, but is expected to add projects in a House-Senate conference committee on the bill. The Senate bill does include a provision to create the High Intensity Tier for Smaller Urbanized Areas that has been promoted by Santa Cruz Metro, although its distribution formula differs from the House version.

Senate committees are expected to markup the highway safety and tax-related titles of the TEA-21 bill during the second week of April. Late April floor time has already been reserved by Senate Majority Leader Bill Frist (R-TN) for the transportation bill, and supporters hope to reconcile the House and Senate measures by May 31, when the current short-term extension of highway, transit, and highway safety programs expires.