



AAAS R&D Funding Update October 5, 2004 -

DOT R&D Enjoys Modest Increase in Senate Plan

Highlights

- **Department of Transportation (DOT) R&D funding would increase \$12 million or 1.6 percent to \$719 million in FY 2005 in the latest Senate budget bill** (see Table). The Senate proposal would be less than a larger 6.7 percent increase requested by the Bush Administration, but would be well above the sharp cuts contained in a House proposal.

- The Senate would show its generosity toward R&D in the Federal Aviation Administration (FAA), which would increase 8.4 percent to \$269 million to fund weather research, aviation safety R&D, and commercial aviation capacity-building R&D projects.

DOT R&D in Senate FY 2005 Appropriations

On September 14, the Senate Appropriations Committee reported its version of the FY 2005 Transportation-Treasury appropriations bill (S 2806), followed by September 22 approval by the full House of its version of the bill (HR 5025). The Senate bill would give \$59.8 billion to the Department of Transportation (DOT) in FY 2005. R&D is a relatively small part of the DOT budget and would total \$719 million in FY 2005 in the Senate plan, a modest increase of 1.6 percent that would fall short of a large requested increase but would improve on a 5.3 percent cut in the House (see Table). (For details of DOT R&D in FY 2005 House appropriations, see the September 9 AAAS R&D Funding Update. For details of the DOT request, see Chapter 13 of *AAAS Report XXIX: R&D FY 2005* or the February 25 AAAS R&D Funding Update).

More than half of the DOT budget goes to the Federal Highway Administration (FHWA), mostly for spending out of the highway trust funds for road projects managed by state and local governments. Transportation funding increased dramatically beginning in FY 1999 as a result of the six-year (FY 1998-2003) reauthorization of transportation programs known as the Transportation Equity Act for the 21st Century (TEA-21), which governs spending out of the highway trust funds. The law expired more than a year ago in September 2003, but temporary funding authorizations have been in place since then until Congress can agree on a new reauthorization law. Congress just approved yet another extension through next May 31. The old law specified that transportation tax revenues would be devoted exclusively to transportation, and specified formulas for allocating these funds. As a result of burgeoning revenues from transportation taxes, DOT's budget climbed from \$44 billion in FY 1998 all the way to \$67 billion in FY 2001. However, these revenues have dropped off significantly in recent years as a result of a stagnant economy, and thus total DOT funding has leveled off. In addition, the Transportation Security Administration (TSA) and the Coast Guard transferred to the new Department of Homeland Security (DHS) in March 2003, bringing the DOT budget down to last year's level of \$58.5 billion.

In FY 2005, President Bush's proposed budget would reduce DOT spending by 0.3 percent down to \$58.4 billion, but the House would give DOT \$58.9 billion, a slight 0.7 percent boost over last year and the Senate would go even higher with a budget of \$59.8 billion, a \$1.3 billion increase over last year. Within a declining FHWA budget, the Bush Administration budget requested an increase for FHWA R&D of 23.7 percent for a total of \$394 million. The Administration proposed a reshuffling of the FHWA accounts to allow for more spending on highway R&D at the expense of funds to state and local governments. In the past, Congress rejected similar proposals and maximized state and local funding, and this year is no exception: both the House and the Senate would reject the proposed shifts to leave FHWA R&D near last

year's level, \$315 million in the Senate case or just \$3 million short of last year. The largest portion of FHWA R&D funding goes to state and local governments for their transportation-related research projects; this funding would increase slightly to \$151 million.

The Senate would put its R&D funding increases toward the **Federal Aviation Administration (FAA)'s R&D programs**. FAA would receive \$269 million for its R&D programs in the Senate plan, a large boost of 8.4 percent in contrast to steep cuts in the request and the House plan. FAA's R&D addresses a number of aviation-related topics, including weather research, aircraft safety technology, human factors research, and development of 'free flight' technologies to improve aviation system capacity. The FAA's R&D portfolio used to be much larger in the \$300 to \$400 million range annually before the September 2001 terrorist attacks, but most of its aviation security R&D portfolio transferred to the Transportation Security Administration (TSA), now housed within the Department of Homeland Security (DHS).

Nearly half of DOT's research (excluding development and R&D facilities) is in the engineering sciences, particularly in civil engineering, but DOT also is a key federal funding source for research in psychology and physics. DOT is only the sixth-largest supporter of engineering research despite its importance in the DOT portfolio, funding just 2 percent of all federal support for engineering. The major sponsors of engineering research are the Department of Defense and the National Aeronautics and Space Administration, with about a third each of total federal support, followed by the Department of Energy and National Science Foundation. FAA funds 2 percent of total federal support for psychology, mostly into the role of human factors in aviation safety.

Next Steps

The House approved its Transportation bill in late September, but the Senate version faces a more difficult path. With the October 1 start of FY 2005 already past and the October 8 target adjournment date looming with other legislative priorities stacked up, the Senate will run out of time to debate and approve its Transportation-Treasury bill as a stand-alone bill. Thus, DOT programs are operating through at least November 20 at FY 2004 levels under a continuing resolution (CR; temporary appropriations bill) approved by Congress last week. After the November elections, Congress will try to finish up appropriations; the most likely scenario is that the Transportation bill will be rolled into an omnibus appropriations bill along with the other unfinished appropriations bills in a post-election lame duck session, while the next transportation authorization bill will not even be attempted until 2005.

(This analysis is one of a series of AAAS R&D Funding Updates on the FY 2005 congressional appropriations process. The complete series of AAAS R&D Funding Updates, including continually updated analyses of R&D in FY 2005 appropriations, is available on the AAAS R&D Web Site (<http://www.aaas.org/spp/rd>) in the "FY 2005 R&D" or the "What's New" sections.)

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**Table. Department of Transportation
Senate Appropriations Committee Action on R&D in the FY 2005 Budget
(budget authority in millions of dollars)**

	FY 2004 Estimate	FY 2005 Request	FY 2005 House	Action by Senate				
				FY 2005 Senate	Chg. from Request Amount	Chg. from Request Percent	Chg. from FY 2004 Amount	Chg. from FY 2004 Percent
Federal Aviation Administration	248	222	226	269	47	21.0%	21	8.4%
Federal Highway Administration	318	394	319	315	-79	-20.2%	-4	-1.2%
Federal Transit Administration	5	3	3	3	0	-0.2%	-2	-44.2%
Nat'l Highway Traffic Safety Admin.	63	68	60	61	-7	-10.6%	-3	-4.2%
Federal Railroad Administration	32	33	30	33	0	0.0%	1	3.6%
Research and Special Programs	14	15	15	15	0	-2.0%	1	5.6%
Fed. Motor Carrier Safety Admin.	7	9	7	9	0	0.0%	3	41.1%
Office of Secretary	20	11	11	15	4	38.9%	-5	-26.6%
Total DOT R&D	707	755	669	719	-36	-4.8%	12	1.6%
DOT Budget (includes R&D components): ¹								
Federal Aviation Administration	13,850	13,966	14,021	13,548	-418	-3.0%	-302	-2.2%
Federal Highway Administration	34,545	34,178	35,090	35,435	1,257	3.7%	890	2.6%
Federal Transit Administration	7,266	7,266	7,249	7,758	492	6.8%	492	6.8%
Federal Railroad Administration	1,447	1,088	1,042	1,437	349	32.0%	-10	-0.7%
All Other ²	1,399	1,933	1,487	1,668	-264	-13.7%	269	19.2%
Total DOT Budget	58,507	58,431	58,889	59,846	1,415	2.4%	1,340	2.3%

AAAS estimates based on FY 2005 appropriations bills. Includes conduct of R&D and R&D facilities.

FY 2004 and FY 2005 request figures based on OMB R&D data and supplemental agency budget data.

Figures are rounded to the nearest million. Changes calculated from unrounded figures.

Note: Transportation Security Administration and Coast Guard are now part of the Department of Homeland Security.

¹ Includes budget authority from appropriations, limitation on obligations from trust funds, and other budgetary resources.

Figures are rounded to the nearest million. Percentage changes calculated from unrounded figures.

² Includes Office of Secretary, NHTSA, Maritime Admin., RSPA, Bureau of Transportation Statistics, and others.

October 4, 2004 - AAAS estimates of House and Senate Appropriations Committee-approved funding levels.