

Subcommittee Teleconference Meeting Minutes

Tuesday 23 November 2010 / 2:00 – 3:00pm EST

Present on Call - SOFMA Leadership and AASHTO Staff

Betty Conners (SOFMA Chair)
Jack Basso (AASHTO)
Joung Lee (AASHTO)
Bud McDonald (AASHTO)
Joe Crossett (High Street Consulting)

Present on Call - Member Departments

States present: Alabama, Alaska, Arizona, Indiana, Iowa, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, North Dakota, Ohio, South Dakota, Vermont, Washington, Wisconsin

Minutes

Chair Betty Conners welcomed everyone and said that the purpose of the call will be to get states' questions on the Transparency Act along with getting an update on reauthorization and the recent House rule change.

Joung Lee said this call was motivated by the need to check on how everyone is doing in regards to implementation, especially since the first report due date of November 30, 2010, and also if any best practices can be shared. Mr. Lee then opened it up to questions and comments.

Sue Thompson from Minnesota DOT said that two months in they are still not able to upload their data because they are being told the congressional district is not populating, and she is wondering if any other states have had a similar problem. Ms. Thompson is also having a hard time getting in touch with the staff at FSRS. Another state commented that what they encountered an issue with batch uploading in which there was a cross-referencing with the DUNS information, and it was something they could not change, it was an error on the part of the sponsor on their DUNS registration, and it will not accept batch uploading as a result of that cross-reference. They had a hard time getting FSRS to work with them or explain to them what had happened. They were able to upload one at a time though, which Minnesota said they are unable to do.

Mr. Lee asked the states how many of a state's projects were covered to be responded under the FFATA framework. He said one of the things identified by FHWA earlier was that most of the projects that a state DOT carries out would not be affected unless the funds were handed

down to local governments. Missouri DOT said that they have a fairly large LPA program, so they have had a significant number (80 or so per month on just the highway side) that they have had to populate. They have not had a problem with pre-populating and then going in and finding their projects and uploading their subrecipient data.

Wisconsin DOT stated that they do not have subrecipients, but they will have some, but in observing the data that FHWA is populating into FSRS, they are not sure how they will approach it as to which projects are covered and which are not. It is their observation that FHWA is taking what Wisconsin DOT would manage as a single record, meaning a Federal-aid project, and splitting it into multiple records. It is looking like FHWA is splitting them into a different code for each detail line within the project. It seems that it is cumbersome to them, and that the whole purpose of this is to provide transparency to the public, and when the public goes to usaspending.gov and sees the list of awards to Wisconsin and sees a single reconstruction project split into eight different projects based on the number of federal accounting lines involved, it seems counterproductive. Minnesota DOT agrees on this point. Mr. Lee said this had been mentioned to FHWA in the past, and it is something that either could not be resolved and/or they are not willing to do so. AASHTO will bring the point up again with FHWA. Chair Connors suggested having a call with a small group along with Elissa Konove, the FHWA CFO. If there are others interested in the call, Mr. Lee said that they should e-mail him with their e-mail and phone information, and AASHTO will keep those persons posted on when the call will take place.

Mr. Lee then discussed the current state transportation authorization bill. One of the things that AASHTO always hears from its members and then conveys to Congress is that we would like to see as much stability to the Federal-Aid Highway Program as possible. Macro-level political realities do not help to absorb the messages that we send into their decision-making. What Congress ended up doing was a continuing resolution until March 4, 2011, and at that point, the Republicans, especially on the House side, would provide their input into crafting the appropriations framework for the rest of the fiscal year.

Jack Basso said that there is dramatic uncertainty as to what is coming on March 4. It is pretty clear that the Republicans in the House intend to make cuts. He said they have not identified how that will translate to specifically how that will translate to all domestic discretionary spending programs or anything else, for that matter. Mr. Basso's guess is that they will end up proposing an across-the-board percentage cut. He said that there is a two-part question: one being what will happen in the Senate, with still having a Democratic majority there, and whether they will go along with the House, and then what the President will do. He thinks things will start to become much clearer after the State of the Union address.

Mr. Basso then discussed the House rules change. The House changed the rules regarding firewalls and funding guarantees, which changed the funding level that was prescribed first in TEA-21 and then in SAFETEA-LU. By changing that rule, it opens the door for the Appropriations Committee to reduce the obligation limitation, and consequently not necessarily directly spend any money from the Highway Trust Fund on purposes they want to move forward with, but reduce the outlays in the highway and transit programs. Chair Connors said that right now in

Maryland, they are assuming that apportionments will be at least what they had in 2009, and asked whether that is still a conservative assumption. Mr. Basso said yes, that is a conservative assumption, and that as to the apportionments there will not be any significant change as that is budget authority. Mr. Basso said what the House is searching for is actual expenditure reductions, which affects obligation limitation.

Dan Franklin from Iowa DOT asked about AASHTO's table showing the impact by state if there was a \$7 billion reduction in the funding distributed to the states and whether that is a realistic baseline for the next few years. Mr. Basso said right now there is about \$43 billion in the highway program. He said that the Congressional Budget Office (CBO) has estimated that on average, over a six-year period, the Trust Fund could only support a \$35 billion highway program and about a \$7 billion transit program. AASHTO used that number to show what the Trust Fund is capable of doing, as opposed to what program level they may or may not go with. Mr. Basso said that there is not much question that for FY11 and pretty much for FY12, the programs can be sustained based on the balance in the Trust Fund. Mr. Lee said that FY10 saw unusually low outlays, and the receipts were anemic as well. AASHTO expects a rebound and some making up of both the lower outlays and receipts. If the outlays rise more than what occurred last year while the receipts stay anemic, which will deplete the balances available in the Trust Fund faster than what CBO predicted in August 2010. Mr. Basso said that the transit account is a little better off than highways, in that it can last on its balance partway through FY13.

Chair Conners asked Mr. Lee if he had any wrap-up items. Mr. Lee said that the future focus of the subcommittee will be on the continued institutionalization of the subcommittee, including a discussion on what would be the best time and location to hold the first in-person meeting. Chair Conners said that we can continue to hold teleconferences, shifting the focus of them some.