

**Legislative Bulletin.....July 29, 2009**

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**H.R. 3357**—To restore sums to the Highway Trust Fund and for other purposes

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**H.R. 3357 – To restore sums to the Highway Trust Fund and for other purposes (*Rangel, D-NY*)**

**Order of Business:** H.R. 3357 is scheduled to be considered Wednesday, July 29, 2009 under a motion to suspend the rules and pass the bill.

**Summary:** H.R. 3357 transfers \$5.0 billion from the General Treasury to the Highway Trust Fund, provides “such sums as may be necessary” for the unemployment trust fund, and increases the cap on lending for the Federal Housing Administration and the Government National Mortgage Association (GNMA). Details of the bill are as follows:

**Transfer to Highway Trust Fund:** H.R. 3357 transfers \$5.0 billion from the General Treasury to the Highway Trust Fund. The bill does not provide any offset for the increased spending that this transfer will allow.

No CBO score of this provision (or any of the bill’s other provisions) is available. Technically, the bill is an intergovernmental transfer, which means that CBO would likely score the provision as not having a deficit impact. However, the bill’s actual impact is to *allow* \$5 billion of deficit spending. The bill allows spending from the Federal Highway Trust Fund to be \$5 billion higher than the trust fund can bear, but does *not* require the rest of the federal budget to offset this amount. Senate Republicans have called for potential legislation in the Senate to be paid for by reducing unobligated funds in the “stimulus.”

The current highway bill expires on September 30, 2009. Chairman Oberstar and the Administration disagree about how much funding is necessary to keep the Trust Fund in the black through the current highway bill. Chairman Oberstar has previously stated that \$3 billion would be sufficient, but the Administration has argued that \$7 billion is required.

In the 110<sup>th</sup> Congress, a similar transfer of \$8 billion was enacted into law (H.R. 6532), so this would be the second such transfer (for a total of \$13 billion) enacted in the last 12 months. For the RSC Legislative Bulletin of that bill, see [here](#).

**Unemployment Insurance Trust Fund:** H.R. 3357 makes available “such sums as may be necessary” to the Unemployment Insurance Trust Fund (under the program’s current terms). No CBO score is available as to how much deficit-spending this provision will cause, and the legislation does not designate any limit. The so-called “stimulus” legislation expanded the federally funded \$25 weekly benefit for individuals receiving regular Unemployment Compensation. The financial problems of the Unemployment Insurance Trust Fund are related to the expansion of benefits in the “stimulus.”

**FHA Insurance Commitment Authority:** The FY 2009 omnibus provided a statutory annual cap on lending authority of \$315 billion for the Federal Housing Administration (FHA). H.R. 3357 would increase this cap to \$400 billion. No CBO score is available for this provision.

**GNMA Mortgage-Backed Securities Guarantee Commitment Authority:** The FY 2009 omnibus provided a statutory annual cap on lending authority of \$315 billion for the Government National Mortgage Association (GNMA). H.R. 3357 would increase this cap to \$400 billion. No CBO score is available for this provision.

**Possible Conservative Concerns:** Some conservatives note that this legislation allows \$5 billion of additional deficit spending, since this provision enables the Highway Trust Fund to spend \$5 billion more than it would otherwise be able to spend—and there is no requirement that any additional spending enabled by this provision be offset with savings from the non-HTF portion of the budget. Some conservatives may also have concerns with a second such transfer within 12 months, which could further establish a precedent of transferring funds from the General Treasury to the Highway Trust Fund, opening the way for more deficit financing of the HTF in the future.

**Committee Action:** H.R. 3357 was introduced on July 28, 2009 and referred to the House Committee on Ways and Means, which took no official action.

**Cost to Taxpayers:** A CBO score for the legislation is not available.

**Does the Bill Expand the Size and Scope of the Federal Government?:** Yes. The bill increases the lending authority for the FHA and the GNMA. The bill also transfers \$5 billion from the General Treasury to the HTF, allowing for additional spending beyond what it currently can bear. Finally, the bill also makes available “such sums” to the Unemployment Insurance Trust Fund, also allowing additional spending for that program beyond what it can currently bear.

**Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?:** A CBO score listing any potential mandates is not available.

**Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?:** A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available.

**Constitutional Authority:** A Committee report citing Constitutional authority is unavailable. House Rule XIII, Section 3(d)(1), requires that all committee reports contain a statement citing the *specific* powers granted to Congress in the Constitution to enact the law proposed by the bill or joint resolution. [*emphasis added*]

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