HIGHWAY FUNDING

Update from Washington, DC
September 30, 2020
Critical Funding Issues To-Do List

- FAST Act Reauthorization
- Highway Trust Fund Solvency
- FY 2021 Transportation Appropriations
- State DOT’s Relief Request
- COVID Relief/Stimulus
72 - Day Continuing Resolution

- CR to fund Federal government through December 11, 2020
  - Includes one-year extension of FAST Act surface transportation programs at 2020 levels
  - Includes $13.6 billion general fund transfer to Highway Trust Fund
  - Does not include emergency relief funding for state DOT’s

### INDIANA HIGHWAY FUNDING COMPARED

<table>
<thead>
<tr>
<th>FY20 Actual Apportionments</th>
<th>FY21 Estimated Apportionments under Extension</th>
<th>FY20 Actual Obligation Limitation</th>
<th>FY21 Estimated Obligation Limitation under CR</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,049,673,875</td>
<td>$1,043,291,577</td>
<td>$916,797,018</td>
<td>$180,844,592</td>
</tr>
</tbody>
</table>

Apportionment is the distribution of highway funds to the states as prescribed by a statutory formula. Obligation Limitation is used to control annual FHWA spending in place of an appropriation. The appropriation bill sets a limit on the total amount of contract authority that can be obligated in a single fiscal year.
What Happens Next

• FHWA will issue notices to states on distribution of highway funding authorizations and obligation limits
• Possible action on COVID/Stimulus package
• Lame-duck session of Congress in mid-December
  - Enact full year transportation appropriations bill
  - COVID/stimulus package
  - Fund AASHTO request for state DOT relief
What Happens in Next Congress

- Take care of any unfinished business from previous Congress
- There will be a big infrastructure bill
  - How Big?
  - Will FAST Act reauthorization be separate?
  - Expect budget and reconciliation bills during the first six months of the new Congress
    - Debt ceiling limit kicks-in August 2021
    - HTF solvency easier to deal with in reconciliation
Asphalt Issues in Next Congress

- Fix-it-first focus, limited new highway or capacity projects
- Carbon emission reduction during manufacturing, use-phase
- Resiliency of materials
- “Buy American” requirements on construction materials
- Increase Disadvantaged-Business Enterprises (DBE) requirements
- Increase in Project Labor Agreements (PLA’s)
- Electric vehicles
- Carbon tax
- Innovative Materials (e.g., plastics in asphalt)
THE ROAD AHEAD

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As Congress prepares to return to the Hill, NAPA’s legislative efforts are now focused on three main objectives that must be achieved by May 30.

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