HIGHWAY FUNDING

Update from Washington, DC September 30, 2020



NATIONAL ASPHALT PAVEMENT ASSOCIATION

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

FY20 Actual Apportionments	FY21 Estimated Apportionments under Extension	FY20 Actual Obligation Limitation	FY21 Estimated Obligation Limitation under CR
\$1,049,673,875	\$1,043,291,577	\$916,797,018	\$180,844,592

INDIANA HIGHWAY FUNDING COMPARED

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

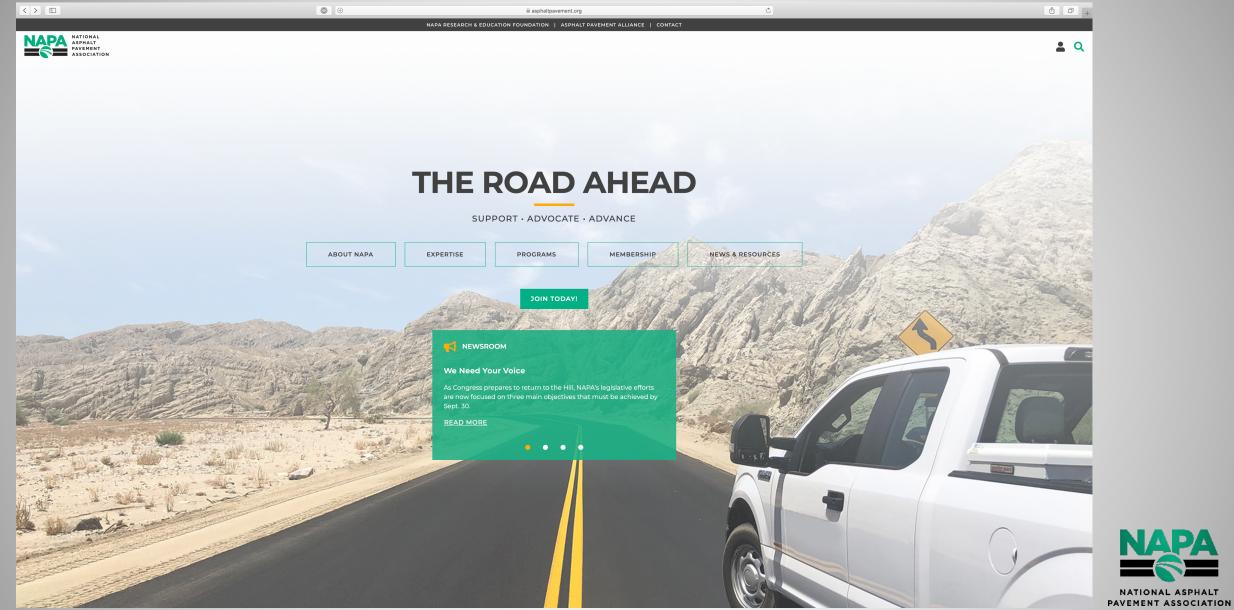
- Take care of any unfinished business from previous Congress
- There will be a big infrastructure bill
 - How Big?
 - Will FAST Act reauthorization be separate?
 - Expect budget and reconciliation bills during the first six months of the new Congress
 - Debt ceiling limit kicks-in August 2021
 - HTF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





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