

# 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

## INDIANA HIGHWAY FUNDING COMPARED

| 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                                 |

**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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### We Need Your Voice

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

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