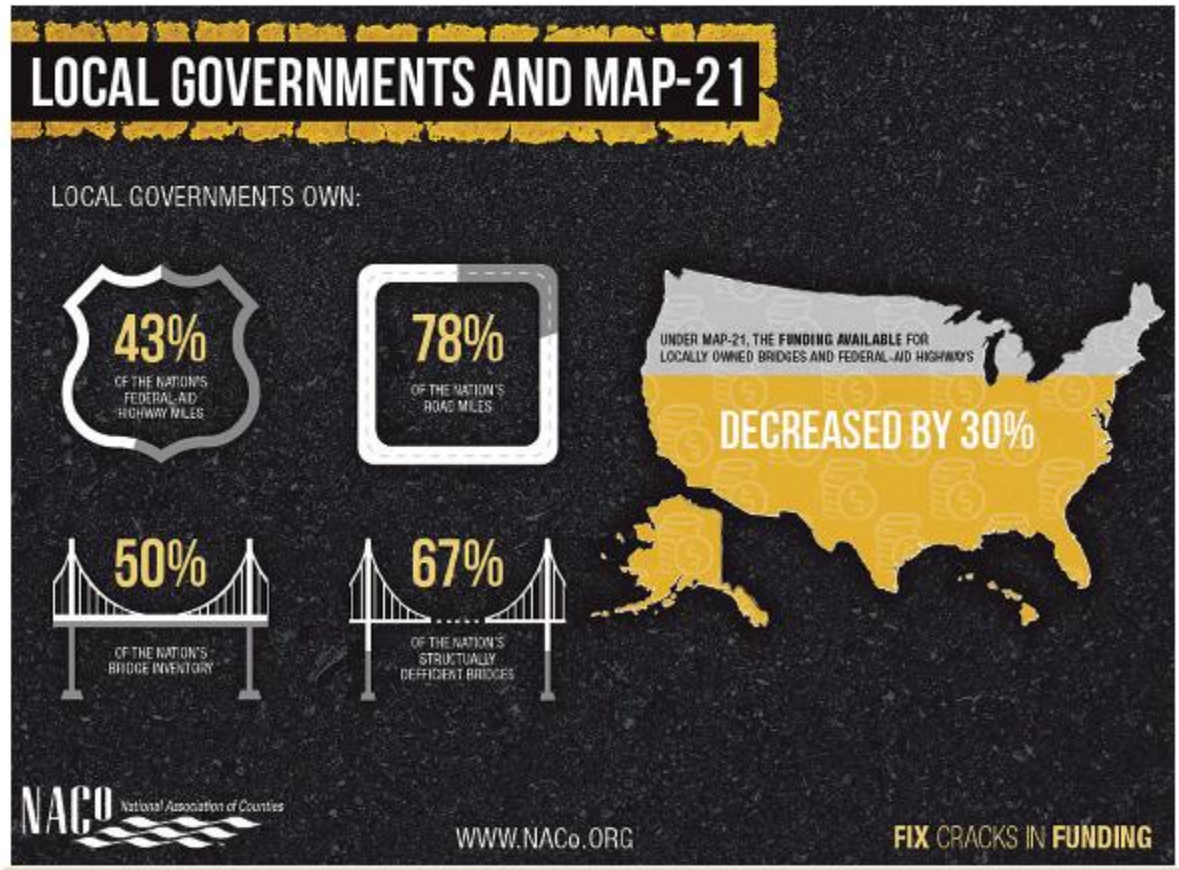
# Senate legislation would reauthorize major transportation bill

**By Jessica Monahan**
**ASSOCIATE LEGISLATIVE DIRECTOR**

---




On May 12, the Senate Environment and Public Works Committee, which has jurisdiction over the highway title of the surface transportation authorization bill in the Senate, released legislation to reauthorize the Moving Ahead for Progress in the 21st Century Act (MAP-21).

The 150-page bill would authorize federal highway programs for six years at current funding levels, plus inflation.

There are several provisions in the legislation that counties should be aware of. Specifically, the bill would:

- Provide a modest increase for programs that counties benefit from, including the Surface Transportation Program (STP)
- Continue core highway program structure from MAP-21 which includes the STP program, National Highway Performance Program (NHPP), Highway Safety Improvement Program (HSIP), and the Congestion Mitigation and Air Quality (CMAQ) Improvement Program

- Provide $400 million annually for the Projects of National or Regional Significance Program, a discretionary program similar to the TIGER grant program, to support a variety of projects, including projects sponsored by local governments aimed at improving: 1) roadways that are vital to national energy security, 2) the movement of freight, 3) transportation safety and 4) rural connectivity and metropolitan accessibility
- Establish a new formula-based National Freight Program that would provide funding in fiscal years 2016–2020 to invest in infrastructure and operational improvements that would strengthen the nation's movement of freight, including investments on locally owned infrastructure (rural and urban) that play a key role in the nation's domestic energy and agriculture production, and overall movement of freight
- Make additional funding available for locally owned bridges by allowing states to spend up to 15 percent of their NHPP dollars for the replacement, rehabilitation, preservation and protection of bridges on federal-aid highways ("on-system bridges") that are not a part of the National Highway System (NHS);
- Increase the amount of Transportation Alternatives program funding that is sub-allocated to eligible entities in local areas (including local governments) from 50 percent to 66.7 percent
- Make changes to the special rule for High Risk Rural Roads by better targeting states with the highest rural road fatality rates and focusing on the need to "decrease" rural road fatality rates rather than "not increase" rural road fatality rates
- Add new eligible activities under STP including emergency evacuation plans and transportation research activities as eligible activities under STP
- Support the bundling of bridge projects by offering states and local governments the flexibility to use federal dollars to bundle projects and allowing for an increased federal share (up to 100 percent) for bundled bridge projects
- Maintain funding for off-system bridges by continuing the off-system bridge set-aside under the Surface Transportation Program at 15 percent of a state's FY09 Highway Bridge Program apportionment
- Increase the federal share payable (up to 100 percent) for other projects – including pedestrian hybrid beacons, control signalization, and innovative project engineering and design practices
- Allow the secretary of transportation to provide regulatory relief and flexibility for rural road and bridge projects that meet the following criteria:
    - are located in a county or parish that has: a population density of 20 or fewer persons per square mile of land use, or the lowest population density of all counties or parishes its state;
    - are located within the operational right of way of an existing road or bridge and
    - receive less than $5 million in federal funds or have a total estimated cost not more than $30 million.
- Provide states the ability to pursue classification changes to rural and urban principal arterials to address the principal arterials that had been added to the NHS under MAP-21, including county-owned arterials that were affected by expansion of the NHS
- Establish a competitive grant program called the "American Transportation Awards" for the purpose of rewarding states, metropolitan planning organizations and tribal organizations for best practices in transportation
- Seek increased transparency on the obligation of Highway Trust Fund dollars by requiring the secretary of transportation to collect and report a variety of information, including data to reflect the ownership (like state, county, city) of the roads and bridges receiving federal highway dollars within each states and information that highlights the average cost and time associated with preparing environmental review documents required for projects that receive federal highway dollars — including documentation that requires a categorical exclusion, environmental assessment or environmental impact statement

- Make several reforms aimed a further accelerating project delivery including indexing the categorical exclusion for projects of limited federal assistance to the National Highway Construction Cost Index and
- Make changes to the Transportation Infrastructure Finance and Innovation (TIFIA) program including efforts to better support rural infrastructure projects and allow credit assistance for the capitalization, or deposit into, state infrastructure banks.

## Highway Trust Fund to run out of cash by August

This summer, the nation's transportation system will face two looming crises: the expiration of the current surface transportation authorization law, Moving Ahead for Progress in the 21st Century Act (MAP-21); and the dwindling solvency of the Highway Trust Fund. With MAP-21 set to expire at the end of September, and the Highway Trust Fund anticipating a major fiscal cliff by August, it's critical that counties understand the impact of these impending events.

### Why should counties care about the Highway Trust Fund?

The Highway Trust Fund collects revenue from a number of user fees, including federal motor fuels taxes, to support the nation's roads, bridges and transit systems. According to the Congressional Budget Office, in 2013, governments at various levels spent $156 billion on highways and $60 billion on transit systems. The federal government, mostly through the Highway Trust Fund, provided roughly one-quarter of those amounts.

### What's wrong with the Highway Trust Fund?

The federal gasoline tax that supports the trust fund was last raised in 1993. Due to several factors, including a reduction in vehicle-miles traveled, increased fuel efficiency and decreased purchasing power, the trust fund has faced growing shortfalls since 2008. Rather than address the trust fund's growing insolvency by raising the gas tax, or pursuing other alternative means of raising revenue, Congress has relied on transfers from the general fund of the Treasury. This practice has put the trust fund, and the programs it supports, in a compromised position.

### What will happen if the Highway Trust Fund runs out?

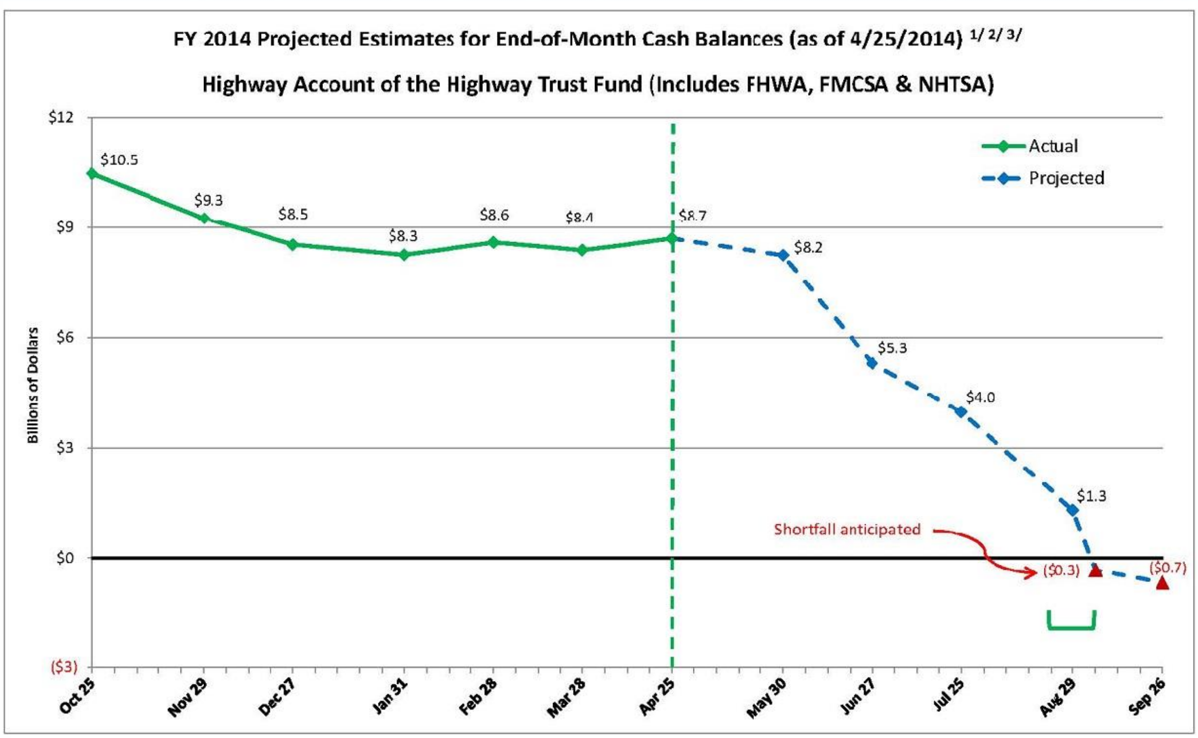
Unless Congress acts this summer, the Highway Trust Fund will be unable to meet its obligations and the results could have dire consequences for the nation's economy. Currently, the Federal Highway Administration (FHWA) reimburses states for the costs already incurred on Federal-aid projects. This reimbursement process is fairly quick but the looming insolvency of the trust fund will require FHWA to delay its reimbursements to states for the costs of highway construction as early as July.

According to NACo survey results, many counties have responded to anticipated delays in reimbursements by slowing or stopping projects. By postponing a project, counties could encounter increased project costs in the future and other economic impacts resulting from delayed payments to contractors and suppliers.

## Why should counties care about MAP-21 reauthorization?

In the summer of 2012, Congress passed MAP-21, providing a two-year authorization of federal highway and transit programs. MAP-21 made several changes to federal transportation programs that shifted funding away from the infrastructure owned by counties and other local governments. In fact, under MAP-21, the funding available for locally owned bridges and highways decreased by 30 percent. The impending expiration of MAP-21 provides an opportunity to repair this discrepancy and make other changes that will better support county-owned infrastructure.

This time, the reauthorization is likely to be for longer than two-years. Congress has traditionally provided bills that authorize five years or six years of funding for federal surface transportation programs. Therefore, the opportunity to improve the surface transportation programs to better support counties only occurs every few years, which means the results — or consequences — of the next authorization will be longer lasting.




1/ Graph reflects actual data through 4/25/14 and end-of-month projections for the remainder of the fiscal year.

2/ Total receipt and outlay projections are based on FY 2015 President's Budget Baseline assumptions. Projected monthly receipt and outlay rates are based on historic averages.

3/ Range of anticipated shortfall: Green brackets denote the estimated window of when the anticipated shortfall will occur.

Source: FHWA