

Eno Transportation Weekly

FHWA Updates Estimates on FY 2020 FAST Act Highway Rescission



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In an attempt to make the budget totals of the legislation balance, section 1438 of the [FAST Act of 2015](#) orders that, on July 1, 2020, \$7.569 billion in unobligated balances of highway contract authority apportioned to states via formula will be rescinded (canceled).

The Federal Highway Administration has updated its “what if” forecast to help states plan for the rescission. While no one can know with certainty exactly how much unobligated money states will have lying around at the end of June 2020, FHWA knows exactly how much each state held on September 30, 2016 (the close of fiscal year 2016). FHWA has sent a table to states showing how the \$7.569 billion would have been implemented had it been executed on October 1, 2016.

(A few caveats – not all apportioned highway funding is subject to the rescission. Funds sub-allocated by population to metropolitan areas are exempt from the rescission, as are safety programs and the \$639 million per year of National Highway Performance Program funding that is outside the annual obligation limitation.)

FHWA says that states collectively had \$9.354 billion in unobligated balances subject to the rescission as of the close of business on September 30, 2016. But how would that rescission be applied?

The FAST Act requires that the rescission be applied to each state (and the District of Columbia) based that state’s share of the unobligated balances, so it rewards states that are more efficient spenders of the money. For example, under the FAST Act, Alabama gets 1.94 percent of all the new highway formula money, but they only had 1.07 percent of total balances held by states as of September 30, so they would only feel 1.07 percent of a rescission implemented on October 1. Conversely, New Jersey’s fiscal crisis slowed their spending rate, so even though the state only gets 2.55 percent of new money under the FAST Act, they would take 4.51 percent of the brunt of an October 1 rescission. (Hawaii is even slower for some reason – they get 0.43 percent of highway apportionments but would get 1.36 percent of the rescission.)

Once each state is given a total rescission amount, the FAST Act then requires that the rescission be applied proportionately across all programs with balances held by states as of the date of the rescission. But just as states spend their total apportionments at different rates, so too do different states spend from different programs at different rates.

In particular, many states have difficulty spending all of their Transportation Alternatives money (called Transportation Enhancements prior to the MAP-21 law). This program is primarily about bicycle paths, pedestrian walkways, rail-to-trail, beautification, and environmental mitigation (full list of eligible activities [here](#)). This program has received between \$800 million and \$850 million in new money for many years.

FHWA says that as of October 1, states and D.C. collectively held \$1.69 billion in unobligated Transportation Alternatives money – two full years of the program. Even though the T.A. program is only 2.1 percent of the total highway program, state slowness to spend this money means that 18.1 percent of an October 1, 2016 rescission would be taken from the T.A. program. (This would suit most Republicans just fine, since they have historically opposed the T.A. program.)

This varies widely by state – Kentucky, for example, would see 37.7 percent of its rescission taken out of T.A. whereas Oregon would only see 4.3 percent of its rescission taken from T.A.

There is a similar divergence between states in the Congestion Mitigation and Air Quality program. Maine, for example, had almost two full years worth of CMAQ apportionments sitting around unobligated on September 30, meaning that CMAQ would take a disproportionate share of Maine's rescission. Conversely, North and South Dakota and Washington State managed to obligate every dime of their cumulative CMAQ apportionments by September 30.

Put another way, the National Highway Performance Program gives out over \$22 billion per year in new money, and states only had \$2.5 billion of it unobligated as of September 30, or a little over ten percent of one year's new apportionment. CMAQ gives out \$2.3 billion per year, but states collectively had \$1.7 billion unobligated as of September 30, or about 75 percent of a full year's apportionment.

States are allowed under [23 U.S.C. §126](#) to transfer money between programs, subject to some limitations, most particularly a restriction that no more than 50 percent of each year's apportionment for each program can be transferred to another program. Some states routinely max out their transfers from the CMAQ program to easier-to-spend programs.

FY 2016 was the first year that the new National Highway Freight Program was in existence. A total of 18 states (Alabama, Arkansas, Georgia, Indiana, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Jersey, New Mexico, New York, North Dakota, Pennsylvania, Rhode Island, South Carolina and West Virginia) managed to obligate or transfer every dime of their FY 2016 freight apportionment and had zero left over on September 30. Oddly, California appears to have obligated almost none of its 2016 freight money yet (they received \$106.3 million and had \$104.2 million of it left unobligated at the end of the fiscal year).

The tables below show tables that indicate how much money (subject to the rescission) that each state had remaining, unobligated, at the close of business on September 30 and how a hypothetical October 1, 2016 rescission would be applied to each state and to each highway program within that state.

UNOBLIGATED BALANCES OF FEDERAL-AID HIGHWAY CONTRACT AUTHORITY SUBJECT TO THE FAST ACT 2020 RESCISSION AND HELD BY STATES AT THE END OF FISCAL YEAR 2016

Technical Committee 7/25/2018 Item

(Millions of dollars. "Subject to the rescission" means this table does not include STP/STBGP money suballocated by population, does not include safety programs, and does not include NHPP exempt from limitation.)

	NHPP	T. Alt.	STBGP	CMAQ	MP	Bridge	Trails	SPR	Freight	Other	TOTAL
ALABAMA	30.4	36.0	10.4	13.2	4.1	4.4	0.0	0.2	0.0	1.0	99.7
ALASKA	0.0	17.8	29.2	13.0	1.7	0.0	1.8	6.7	14.4	0.0	84.7
ARIZONA	34.3	31.6	7.5	6.0	2.4	11.9	6.2	8.1	20.9	0.0	128.8
ARKANSAS	56.0	27.1	4.8	9.2	0.2	29.4	4.4	2.1	0.0	0.0	133.1
CALIFORNIA	295.7	148.5	39.7	182.4	17.9	0.0	13.2	9.5	104.2	0.0	811.2
COLORADO	0.0	17.9	0.0	31.5	8.1	5.8	4.7	19.4	15.2	0.0	102.6
CONNECTICUT	68.1	10.4	22.8	7.2	0.7	43.6	0.0	0.8	0.0	0.0	153.7
DELAWARE	17.7	4.0	16.1	14.7	1.8	0.4	1.8	3.6	4.8	0.0	64.9
DIST. OF COL.	4.0	6.6	4.5	12.4	0.3	15.3	0.0	3.5	4.5	0.0	51.1
FLORIDA	182.6	25.0	2.5	2.0	2.3	25.8	0.0	7.3	53.9	0.0	301.5
GEORGIA	30.8	71.5	2.0	58.7	14.2	42.6	4.5	25.6	0.0	1.0	250.8
HAWAII	56.3	20.0	12.9	8.4	4.1	17.8	0.2	2.6	4.8	0.0	127.1
IDAHO	11.3	7.8	1.5	12.3	0.0	1.5	0.4	1.9	2.9	0.0	39.7
ILLINOIS	145.1	107.1	3.8	139.6	25.5	11.2	4.5	45.6	0.3	1.2	483.8
INDIANA	58.6	27.8	24.1	19.8	0.9	6.7	3.1	49.0	0.0	0.1	190.0
IOWA	22.1	27.4	24.1	13.0	0.0	1.4	4.1	11.9	2.1	0.0	106.2
KANSAS	33.9	23.5	14.9	13.1	0.5	0.3	0.4	0.8	10.8	0.0	98.3
KENTUCKY	11.6	44.2	25.9	20.1	3.3	0.2	4.2	5.8	0.0	1.8	117.1
LOUISIANA	37.4	16.2	5.3	11.0	4.4	59.1	4.2	0.6	0.0	0.0	138.2
MAINE	3.6	5.6	16.4	19.0	4.0	2.6	2.1	2.3	5.3	0.0	60.9
MARYLAND	7.0	49.5	18.8	22.9	13.5	58.5	0.0	3.0	5.1	0.1	178.4
MASSACHUSETTS	0.5	30.1	10.6	11.3	13.4	64.6	3.5	32.8	8.7	0.0	175.5
MICHIGAN	154.0	25.5	35.6	65.6	20.2	7.1	1.9	6.0	0.0	0.0	315.9
MINNESOTA	30.6	13.6	27.9	0.9	6.7	21.8	0.6	9.2	0.0	0.2	111.6
MISSISSIPPI	2.1	38.2	5.8	4.6	0.0	5.9	1.9	5.8	0.0	0.1	64.4
MISSOURI	115.1	35.2	38.2	16.8	0.0	12.9	2.8	21.9	0.0	0.1	243.1
MONTANA	51.3	9.2	12.7	21.8	3.3	0.4	0.4	4.9	7.9	0.0	111.9
NEBRASKA	17.7	3.3	6.6	1.8	0.5	6.6	3.0	5.9	8.3	0.0	53.7
NEVADA	25.6	12.8	18.2	20.4	0.0	0.7	0.7	0.0	0.0	0.0	78.4
NEW HAMPSHIRE	7.0	9.5	0.0	17.0	0.3	4.6	2.4	3.2	4.7	0.0	48.6
NEW JERSEY	24.6	83.1	34.0	114.4	2.7	130.1	2.3	29.5	0.0	1.1	421.7
NEW MEXICO	13.7	15.1	0.5	12.1	1.3	0.0	4.0	5.2	0.0	0.0	52.0
NEW YORK	32.5	114.3	2.4	195.6	16.1	97.7	6.6	5.7	0.0	0.6	471.5
NORTH CAROLINA	29.3	51.6	15.0	63.8	4.5	8.5	3.0	18.1	13.3	0.7	207.8
NORTH DAKOTA	40.2	4.1	23.7	0.0	2.1	0.0	1.1	2.3	0.0	0.0	73.5
OHIO	156.9	22.0	109.1	47.1	0.0	0.0	2.7	31.9	38.2	0.0	407.9
OKLAHOMA	28.2	31.9	5.1	11.5	2.1	6.9	0.6	2.1	18.0	3.5	109.9
OREGON	14.1	4.0	44.2	4.6	6.9	2.3	4.0	0.4	11.7	0.0	92.4
PENNSYLVANIA	35.4	71.4	129.0	71.3	3.7	41.7	3.3	68.8	0.0	0.2	424.9
RHODE ISLAND	0.7	7.6	0.1	1.2	1.2	42.4	1.9	1.9	0.0	0.0	57.0
SOUTH CAROLINA	56.5	31.6	55.4	11.0	6.6	23.9	3.6	4.3	0.0	0.0	192.9
SOUTH DAKOTA	20.8	10.2	8.4	0.0	3.4	1.3	0.1	4.2	8.1	0.0	56.5
TENNESSEE	7.5	72.1	7.6	32.6	3.1	9.6	3.5	8.6	2.3	1.8	148.7
TEXAS	371.4	128.5	32.4	274.3	0.0	1.8	8.7	136.9	38.9	0.0	992.8
UTAH	16.2	10.6	3.7	20.0	3.3	3.2	1.2	2.0	9.3	0.0	69.5
VERMONT	11.0	9.9	17.5	2.3	0.1	7.6	0.3	0.6	5.8	0.0	55.2
VIRGINIA	28.1	60.0	0.4	28.6	4.5	3.2	2.4	43.5	0.7	0.0	171.4
WASHINGTON	5.6	7.6	82.6	0.0	0.0	27.7	0.0	0.0	12.3	0.0	135.9
WEST VIRGINIA	16.4	16.0	0.4	12.4	1.1	12.9	3.4	8.1	0.0	0.0	70.6
WISCONSIN	56.7	29.1	11.3	28.8	13.1	0.1	2.1	20.3	1.0	1.5	164.1
WYOMING	17.5	6.0	17.3	6.1	1.4	1.7	0.5	0.3	2.5	0.0	53.3
TOTAL	2,493.7	1,689.6	1,042.9	1,727.5	231.4	885.6	132.2	694.7	441.0	15.2	9,353.9

If the FAST Act's July 1, 2020 Highway Rescission Took Place on Oct 1, 2016, How Much Would Each State Lose From Each Formula Program?

Technical Committee 7/25/2018 Item

(Millions of dollars of contract authority)

	<u>NHPP</u>	<u>T. Alt.</u>	<u>STBGP</u>	<u>CMAQ</u>	<u>MP</u>	<u>Bridge</u>	<u>Trails</u>	<u>SPR</u>	<u>Freight</u>	<u>Other</u>	<u>TOTAL</u>
ALABAMA	24.6	29.1	8.4	10.7	3.3	3.6	0.0	0.2	0.0	0.8	80.7
ALASKA	0.0	14.4	23.7	10.5	1.3	0.0	1.5	5.4	11.6	0.0	68.5
ARIZONA	27.8	25.6	6.0	4.8	1.9	9.6	5.0	6.6	16.9	0.0	104.2
ARKANSAS	45.3	21.9	3.9	7.4	0.1	23.8	3.6	1.7	0.0	0.0	107.7
CALIFORNIA	239.3	120.2	32.1	147.6	14.5	0.0	10.7	7.7	84.3	0.0	656.4
COLORADO	0.0	14.5	0.0	25.5	6.6	4.7	3.8	15.7	12.3	0.0	83.0
CONNECTICUT	55.1	8.4	18.4	5.8	0.6	35.3	0.0	0.7	0.0	0.0	124.4
DELAWARE	14.3	3.2	13.0	11.9	1.4	0.3	1.5	2.9	3.9	0.0	52.5
DIST. OF COL.	3.2	5.3	3.6	10.0	0.2	12.4	0.0	2.8	3.7	0.0	41.4
FLORIDA	147.7	20.3	2.0	1.6	1.9	20.9	0.0	5.9	43.6	0.0	244.0
GEORGIA	24.9	57.8	1.6	47.5	11.5	34.5	3.7	20.7	0.0	0.8	202.9
HAWAII	45.5	16.2	10.4	6.8	3.4	14.4	0.2	2.1	3.9	0.0	102.9
IDAHO	9.2	6.3	1.2	10.0	0.0	1.2	0.3	1.6	2.4	0.0	32.1
ILLINOIS	117.4	86.6	3.1	113.0	20.6	9.1	3.7	36.9	0.2	1.0	391.5
INDIANA	47.4	22.5	19.5	16.0	0.7	5.4	2.5	39.6	0.0	0.1	153.8
IOWA	17.9	22.2	19.5	10.5	0.0	1.1	3.3	9.6	1.7	0.0	85.9
KANSAS	27.4	19.0	12.0	10.6	0.4	0.3	0.3	0.6	8.8	0.0	79.5
KENTUCKY	9.4	35.7	21.0	16.2	2.7	0.2	3.4	4.7	0.0	1.5	94.8
LOUISIANA	30.3	13.1	4.3	8.9	3.6	47.8	3.4	0.5	0.0	0.0	111.8
MAINE	2.9	4.5	13.2	15.4	3.2	2.1	1.7	1.8	4.3	0.0	49.2
MARYLAND	5.7	40.1	15.2	18.6	10.9	47.3	0.0	2.4	4.1	0.1	144.4
MASSACHUSETTS	0.4	24.4	8.5	9.1	10.8	52.3	2.9	26.5	7.1	0.0	142.0
MICHIGAN	124.6	20.6	28.8	53.1	16.4	5.7	1.5	4.9	0.0	0.0	255.6
MINNESOTA	24.8	11.0	22.6	0.8	5.5	17.6	0.5	7.5	0.0	0.2	90.3
MISSISSIPPI	1.7	31.0	4.7	3.7	0.0	4.8	1.5	4.7	0.0	0.1	52.1
MISSOURI	93.2	28.5	30.9	13.6	0.0	10.5	2.3	17.8	0.0	0.0	196.7
MONTANA	41.5	7.4	10.3	17.7	2.6	0.3	0.3	4.0	6.4	0.0	90.6
NEBRASKA	14.3	2.7	5.3	1.5	0.4	5.3	2.4	4.8	6.7	0.0	43.4
NEVADA	20.7	10.4	14.7	16.5	0.0	0.5	0.6	0.0	0.0	0.0	63.4
NEW HAMPSHIRE	5.7	7.7	0.0	13.7	0.2	3.7	1.9	2.6	3.8	0.0	39.3
NEW JERSEY	19.9	67.2	27.5	92.5	2.2	105.3	1.8	23.8	0.0	0.9	341.2
NEW MEXICO	11.1	12.2	0.4	9.8	1.1	0.0	3.2	4.2	0.0	0.0	42.1
NEW YORK	26.3	92.5	2.0	158.3	13.0	79.1	5.3	4.6	0.0	0.5	381.5
NORTH CAROLINA	23.7	41.8	12.1	51.6	3.6	6.9	2.4	14.6	10.8	0.6	168.1
NORTH DAKOTA	32.5	3.3	19.1	0.0	1.7	0.0	0.9	1.9	0.0	0.0	59.4
OHIO	126.9	17.8	88.3	38.1	0.0	0.0	2.2	25.8	30.9	0.0	330.1
OKLAHOMA	22.8	25.8	4.1	9.3	1.7	5.6	0.5	1.7	14.5	2.8	89.0
OREGON	11.4	3.2	35.8	3.7	5.6	1.9	3.2	0.4	9.5	0.0	74.8
PENNSYLVANIA	28.6	57.8	104.3	57.7	3.0	33.7	2.7	55.7	0.0	0.2	343.8
RHODE ISLAND	0.5	6.2	0.1	0.9	1.0	34.3	1.6	1.5	0.0	0.0	46.1
SOUTH CAROLINA	45.7	25.6	44.9	8.9	5.3	19.3	2.9	3.5	0.0	0.0	156.1
SOUTH DAKOTA	16.8	8.3	6.8	0.0	2.8	1.1	0.1	3.4	6.5	0.0	45.7
TENNESSEE	6.1	58.3	6.2	26.4	2.5	7.8	2.8	6.9	1.9	1.4	120.3
TEXAS	300.5	104.0	26.2	222.0	0.0	1.5	7.0	110.8	31.5	0.0	803.4
UTAH	13.1	8.6	3.0	16.2	2.6	2.6	0.9	1.6	7.6	0.0	56.2
VERMONT	8.9	8.0	14.2	1.9	0.1	6.2	0.2	0.5	4.7	0.0	44.6
VIRGINIA	22.7	48.6	0.3	23.1	3.6	2.6	1.9	35.2	0.5	0.0	138.7
WASHINGTON	4.6	6.1	66.8	0.0	0.0	22.4	0.0	0.0	10.0	0.0	110.0
WEST VIRGINIA	13.3	12.9	0.3	10.1	0.9	10.4	2.7	6.5	0.0	0.0	57.1
WISCONSIN	45.9	23.6	9.2	23.3	10.6	0.1	1.7	16.4	0.8	1.2	132.8
WYOMING	14.2	4.9	14.0	5.0	1.1	1.4	0.4	0.2	2.1	0.0	43.1
TOTAL	2,017.8	1,367.2	843.9	1,397.9	187.2	716.6	107.0	562.1	356.9	12.3	7,569.0