

TRANSPORTATION FUNDING

Fully Fund Federal Transportation Programs and Fix the Highway Trust Fund

Action Needed:

Pass the House version of the Fiscal Year 2017 Appropriations Bill that provide FAST Act funding levels for federal highway and programs. AGC prefers the House bill over the Senate bill, as it includes a \$2.2 billion cut to the Highway Trust Fund contract authority.

Support a permanent fix to the Highway Trust Fund. The FAST Act only provided a temporary patch for the Trust Fund. Congress has a narrow window to fix the Highway Trust Fund before states will once again face federal funding cuts.

Background:

- The “Fixing America’s Surface Transportation Act” (FAST Act) authorized federal highway and transit programs and provides the Highway Trust Fund (HTF) with enough money to fund those programs through Fiscal Year 2020. Although the FAST Act failed to provide a long-term revenue source for the Highway Trust Fund, it does provide yearly increases in highway and transit funding over the lifetime of the Act. The FAST Act authorizes \$43.2 billion for highway projects and \$12 billion for transit programs in Fiscal Year 2017. However, the House and Senate have yet to finalize their Fiscal Year 2017 funding bills for the Department of Transportation.

AGC Message:

- **Congress Must Pass a Full Year Appropriations Bill for Fiscal Year 2017 that Provides FAST Act Funding Levels for Federal Highway and Transit Programs.** Any continuing resolution should be for the shortest length possible. Congress must have in place funding for Fiscal Year 2017 to allow states to properly plan for next year’s construction season.
- **The final Fiscal Year 2017 Transportation Appropriations Bill Should Not Include the \$2.2 Billion Cut That Was in the Senate Transportation Appropriations Bill.** The Senate bill provided this cut – known as a rescission – which will impact every state’s highway and transit funding for next year.
- **The Provision to Prohibit the Use of Geographic, Economic or Other Hiring Preferences Must be Included in the Final Appropriations Bill.** These provisions would ensure that there is a qualified pool of available workers and that any such preference wouldn’t displace a contractor’s existing employees.
- **Congress Needs to Start Working to Fix the Highway Trust Fund.** Without Congressional action, the Highway Trust Fund will face annual revenue shortfalls of \$18 billion when the FAST Act expires. A permanent Highway Trust Fund fix should be considered as part of any tax reform plan.