



Info Alert

National Conference of State Legislatures Office of State-Federal Relations

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Congress Approves Another Short-Term Transportation Extension. Senate Passes Long-Term Bill as Action Moves to House.

On July 30, Congress approved another short-term extension ([H.R. 3632](#)) of federal transportation authorization and funding. Although the bill reauthorizes highway and transit programs until Oct. 29, it includes additional funding, through nonsurface transportation offsets, to ensure the solvency of the Highway Trust Fund (HTF) until the end of 2015. Passage of the bill ensures states will be fully reimbursed by the federal government through the summer construction season.

In addition to approving this short-term extension, the Senate approved a six-year reauthorization of federal surface transportation programs titled the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act ([H.R. 22](#)). Overall, the bill would reauthorize approximately \$275 billion in highway programs for six years, and provide an average annual increase in highway formula apportionments of 3 percent. However, the bill only includes enough funding to ensure the HTF remains solvent for three years. Additionally, there are slight changes to the percentage of funding that is allocated to each of the main highway programs: the National Highway Performance Program, Surface Transportation Program, Highway Safety Improvement program, Congestion Mitigation and Air Quality Program and Metropolitan Planning Program. Within the Surface Transportation Program, the bill slightly alters the formula to send additional funds to local governments at the expense of states.

With regard to major new programs, the bill authorizes the Department of Transportation (DOT) to award grants to states that want to test new types of user-based alternative revenue mechanisms for the HTF. NCSL staff advocated heavily for the inclusion of such a program based on NCSL's transportation funding [policy resolution](#). The pilot program also includes a federal advisory committee to examine alternatives and provide recommendations to the DOT secretary. Additionally, the bill would establish a new formula-based National Freight Program to invest in freight networks on U.S. highways. Funds would be allocated based on a state's share of primary highway freight system mileage although states must establish a freight advisory committee within two years to continue to receive funds. The bill would also create a pilot program aimed at creating a nationwide toll credit marketplace that would allow states to sell unused toll credits to other states. The DRIVE Act would reduce funding for the Transportation Infrastructure Finance and Innovation Program (TIFIA) from \$1 billion in FY 2015 to \$675 million annually.

In addition to highway programs, the bill also contains authorization and funding for highway safety grants and transit programs. The key highway safety grants to states, commonly known as section 402 grants, would be increased by approximately 3.5 percent per year. The bill also contains a few language changes that could allow more states to qualify for certain safety grants. Regarding grants for public transit, the bill authorizes an increase of 25 percent over six years.

The DRIVE Act also contains sections that pertain to transportation systems outside of surface transportation, including Amtrak, rail safety, a pilot program for state based motor vehicle recalls and more. Based on the responses from leadership of the U.S. House of Representatives, it is likely that the time needed for the House to pass its own long-term bill and then conference with the Senate could go beyond the end of October, requiring another extension. Stay tuned to NCSL throughout the fall as this issue continues forward in Congress.

For any additional questions or concerns please contact NCSL staff [Ben Husch](#) (202-624-7779) or [Melanie Condon](#) (202-624-3597). We look forward to seeing you in Seattle.