



**National Conference of State Legislatures
Office of State-Federal Relations**

**U.S. DOT Awards \$14.2 Million to States to Examine New
Ways to Fund Surface Transportation**

Aug. 31, 2016

On Aug. 30, the U.S. Department of Transportation's Federal Highway Administration [announced](#) \$14.2 million in grants for states under a new program, Surface Transportation System Funding Alternatives (STSFA). The grants are to explore alternative revenue mechanisms to help sustain the long-term solvency of the Highway Trust Fund. The new program was included in the Fixing America's Surface Transportation ([FAST](#)) Act, a five-year reauthorization of federal surface transportation programs. NCSL advocated strongly for the program's inclusion following the adoption of a policy resolution by the conference in 2013, and reauthorized thereafter, supporting federal grants to states to explore alternative revenue mechanisms.

Specifically, the \$14.2 million will fund eight projects that aim to pilot a variety of options to raise revenue, including onboard vehicle technologies to charge drivers based on miles traveled and multistate or regional approaches to road user charges. The projects will address common challenges involved with implementing user-based fees, such as public acceptance, privacy protection, equity and geographic diversity. The projects will also evaluate the reliability and security of the technologies available to implement mileage-based fees. [See a complete list of projects receiving funding.](#)

STSFA is authorized to increase its funding by 33 percent to \$20 million in 2017 through 2020. To learn more about the FAST Act, please see [NCSL's legislative analysis](#) published shortly after the bill was enacted.

Additionally, as part of NCSL's 2016 Legislative Summit, the NRI Committee held a 90-minute session entitled "Gearing Up: Transportation Funding for the Future," where members of the committee and others in attendance were briefed on a [recent report by the Council of State Chambers](#) on future transportation funding issues. Committee members were also asked to respond to a [number of questions regarding the future of transportation funding](#) in their state.

To learn more about state transportation funding issues, visit [NCSL's Transportation Funding Deep Dive](#) and [NCSL's Road Usage Charge Webpage](#). For any further questions or concerns regarding NCSL's transportation funding work, please contact NCSL staff [Ben Husch](#) (202-624-7779) or [Kevin Pula](#) (303-856-1373).