

Legislative Update

Congress Moves to Extend Highway Program and Provide Short-Term Funding

Program Extension:

The Senate last night approved legislation that extends Federal Highway Administration spending through March 2012 and the Federal Aviation Administration (FAA) through January 2012, sending the bill to the president for signature. The bill passed the House on a voice vote Tuesday, and won Senate approval in a 92-6 vote. The bill, H.R. 2887, marks the 22nd temporary extension of FAA funding and the 8th extension of the Federal Highway Program.

The bill provides six months of contract authority for the Federal-aid Highway Program at an annual rate of \$39.9 billion, yielding \$19.9 billion over the six month period. For FAA grants under the Airport Improvement Program, the legislation provides \$1.181 billion over four and one-half months.

Program Funding:

While states and airport authorities are authorized to budget for projects up to the amounts provided in the extension, Congress must still set the actual funding levels these agencies can spend by enacting either a short-term continuing resolution or a full year appropriation bill. The House Appropriations Subcommittee on Transportation approved a measure September 8 that provides \$27 billion for the highway program in fiscal 2012 beginning October 1, a 34 percent reduction. FAA Airport Improvement Program grants would be funded at \$3.4 billion, a \$150 million cut from fiscal 2011 spending levels. The Senate Appropriations Committee has not taken up its version of the bill.

Meanwhile, with the current fiscal year set to expire on September 30, the House leadership plans to bring up a continuing resolution that continues government operations and services and allows time for Congress to complete the fiscal year 2012 appropriation bills. The continuing resolution would expire at midnight November 18, 2011. It would allow total funding for the federal government to continue at a rate of \$1.043 trillion – the total amount to which the Congress and the White House agreed in the recent debt-ceiling legislation. This is a 1.5 percent cut from the fiscal year 2011 level. The Federal-aid Highway Program received \$41.1 billion in fiscal year 2011. Under the continuing resolution, states will receive 49 days of highway funding at an annual rate of \$40.5 billion, or about \$5.4 billion in total.

Congress will take up the continuing resolution the week of September 19 in an effort to prevent a government shutdown caused by Congress not passing appropriation bills on time.

Funding Under Extension and Proposed Continuing Resolution

Federal Highway Program	FY 2011 Full Year Enacted	FY 2012
Contract Authority	\$43b	\$19.9b (thru 3/30/12)
Obligation Authority (Funding)	\$41.1b	\$5.4b (thru 11/18/11)