

2020 September PIN Update

The transportation industry is approaching a perfect storm. The pandemic has yielded state and local DOT's seeing a drop in revenue from the gas tax due to the decrease in traffic from the stay at home/work from home orders. From March 1 to May 31, ODOT District 8 saw an average 33% decline in traffic volumes. ODOT receives 91% of its revenue from the state motor fuel tax and has seen a \$157M decline in revenue from March, 2020 to August, 2020 from COVID related actions. This decrease in the DOT budgets has led to layoffs in the transportation design industry as projects have been postponed or delayed. The Ohio Department of Transportation's TRAC funding program has been cancelled for 2020 and several large construction project have been delayed. Public agencies have instituted hiring freezes. Several states, such as Texas and Michigan, are diverting up to 25% of their gas tax revenue to other programs, such as education. While President Trump and the House Democrats support a stimulus package that included infrastructure, the Senate Republicans have refused to include the AASHTO-backed \$37B stimulus package for the transportation industry. It is unknown if traffic volume will rebound to pre-COVID levels to restore gas tax receipts to the DOT's in the next four years. To make matters worse, The Fast Act is set to expire on September 30, 2020. While the House and the Senate both produced transportation bills, neither one made it past their committees. Many believe because of the election year, that a one-year extension of the Fast Act at current funding levels will be passed by September 30, 2020. However, the Highway Trust Fund receipts have decreased 79% from May 2019 to May 2020 due to COVID and has accelerated the deadline for the Highway Trust Fund insolvency to April of 2021. So even if an extension is passed, funding from the Highway Trust Fund will not be able to cover the needs. Many DOT's, such as Ohio, are not expecting any federal funding and have adjusted their program accordingly.

What can ASHE do about this? Contact your Congressional Leaders with a message that the transportation industry needs to be included in any future stimulus package.

Senate link: <https://www.senate.gov/senators/index.htm>

House link: <https://www.house.gov/representatives/find-your-representative>

UPDATE: House passes bill to prevent government shutdown, extend FAST Act highway funding

With the nation's main funding mechanism for highway projects set to expire September 30, the U.S. House passed a measure September 22 that would extend the program for a year. The extension was included in a bill to avert government shutdown October 1 by funding the government through December 11. The bill passed with bipartisan support in a 359-57 vote after the House Speaker and the Treasury Secretary reportedly reached a compromise to keep the government running. The bill now goes to the Senate for consideration.

The one-year 'FAST Act' extension involves transferring \$13.6 billion from the government's general fund to the Highway Trust Fund to maintain it's solvency, The bill calls for keeping spending at current levels – with no boost for inflation – of \$47.1 billion for highways, \$12.3 billion for transit and \$14 billion to the Airport and Airway Trust Fund.