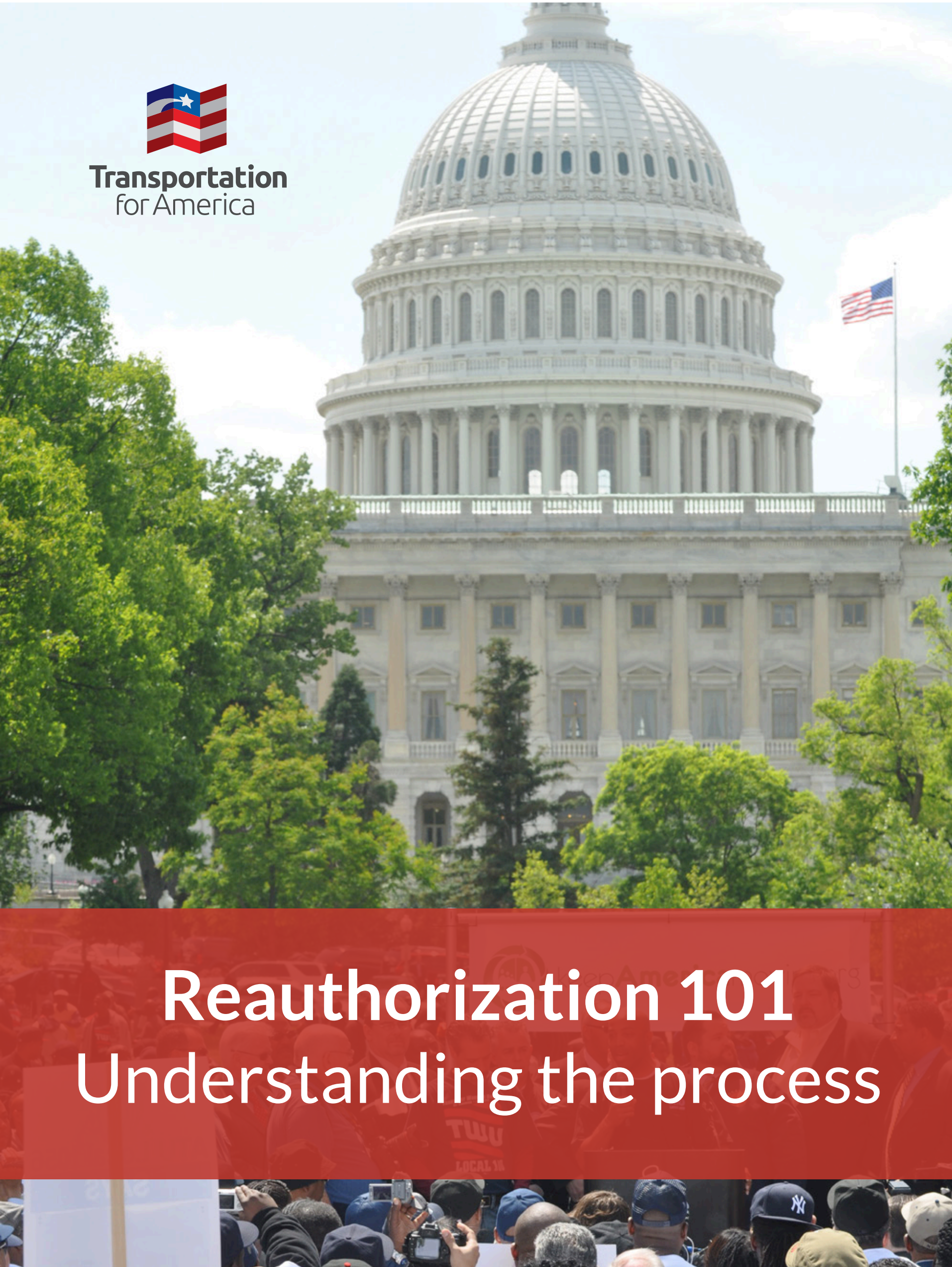


Transportation for America

Reauthorization 101
Understanding the process

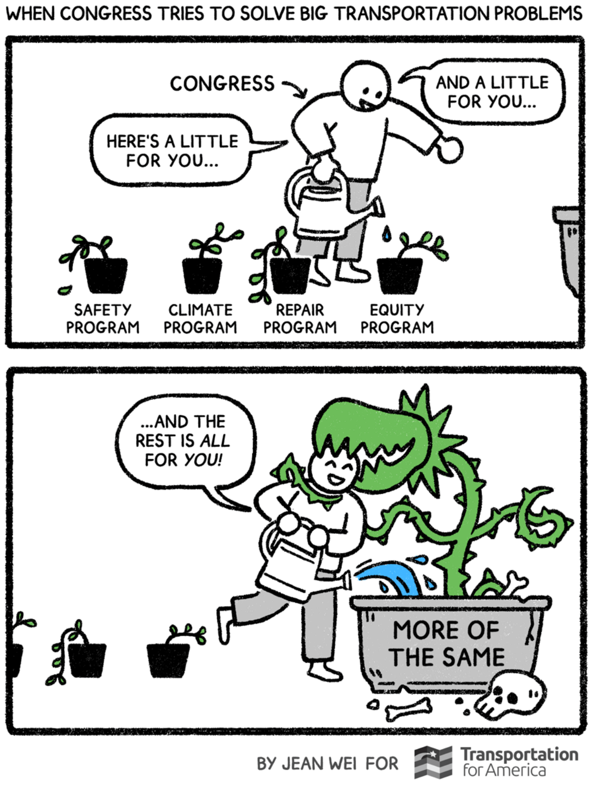
What is “transportation reauthorization”?

Surface transportation reauthorization (sometimes referred to as simply “reauthorization”) is a shorthand term for the legislative process where the federal surface transportation program is renewed, setting all policies, priorities, and funding levels for multiple years to come.

Surface transportation reauthorization bills are multiyear, typically covering five to six years, though not always. A new one is rarely passed on time without a significant delay. For example, SAFETEA-LU expired on September 30, 2009 but its replacement was not passed until June 2012, requiring 10 short-term extensions. Over the last 25 years, every expiring authorization has needed stopgap extensions of more than a year before a replacement passes, most often due to a lack of consensus on funding levels and sources. The current authorization included in the Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021, and expires on September 30, 2026.

Why reauthorization is important

Through reauthorization, the federal government sets policy and provides funding for the nation's highway, transit, safety, and rail programs for multiple years at a time.



This both shapes the culture and prioritization of how much federal money is invested in transportation, and most importantly, how and where that money is spent. E.g., while most decisions on specific transportation projects continue to be made largely at the state (or metro) level, that decision to give states such wide flexibility with little accountability has been repeatedly made at the federal level during the reauthorization process. Reauthorization also signals the priorities of the Congress and president that passed and signed it.

About this guide

This short and simple guide is intended to explain and "de-wonk" the process of reauthorizing the country's transportation law, and to help you or your organization to get the most out of this process that kicks off in 2025. The process is long, complex, and never unfolds the same way twice, so think of this guide more as a short primer; the 101-level introduction. But whether you are an individual, local grassroots group, or federal advocacy organization, it will hopefully help you learn how to get things done and move the needle on your goals to improve infrastructure and transportation in your community.

How the transportation program is funded

While T4America believes that *how much* we spend is far less important than *how we spend it*, it's important to start with understanding how the federal transportation program is paid for, because this determines many of the political realities surrounding the reauthorization process.

Most, but not all, of the federal surface transportation programs are paid for through the Highway Trust Fund (HTF), which—despite its name—is actually made up of two accounts: one for highways and the other for mass transit. Programs funded under the HTF do not need to face the contentious process of appropriating funds on an annual basis, like most discretionary programs such as housing or education.

The inception of the federal gas tax goes back to the 1930s, but the modern federal highway program as we know it began in the 1950s when Congress passed the National Interstate and Defense Highways Act of 1956 to use mostly federal funds to build the Interstate Highway System.

In 1982, transit was added to the program with the passage of the Surface Transportation Assistance Act of 1982. The 97th Congress and the Reagan administration agreed to a compromise to increase the gas tax from 4 cents to 9 cents, with 4 cents of that increase going toward highways and 1 cent reserved for transit. Future increases followed this approach, known colloquially today as the 80/20 split. However, in reality, transit doesn't get a full 20 percent share.

The "trust fund" concept died years ago: At least **$280 billion** in general tax dollars (non-user fees) have been transferred into the trust fund to keep it solvent since 2008.

In 1991, Congress restructured the program in an attempt to bring a more multimodal and coordinated approach to transportation planning and implementation at the state and regional levels. In 1998, Congress guaranteed that gas taxes could only be used to support authorized highway and transit programs and would not be subject to the annual federal budget process, clearing the way for multi-year authorizations as we currently know them (with guaranteed funding in each year).

Trust fund vs. current spending

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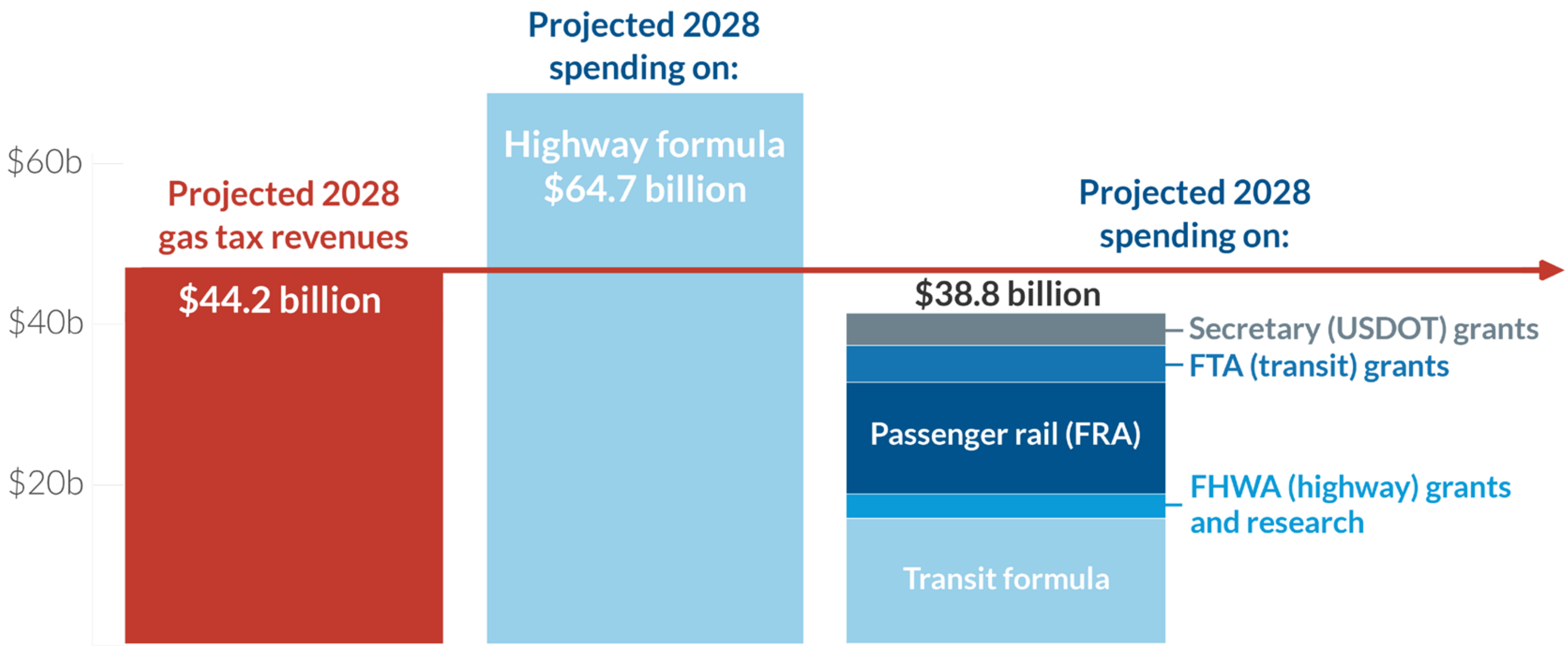
The highway trust fund is projected to be insolvent by 2028. Assuming IIJA spending levels in 2028, the highway formula program *alone* will be $20 billion higher in 2028 than projected gas tax revenues. Eliminating all non-highway spending from the trust fund will not prevent insolvency.



Projections for 2028 spending based on assumption of IIJA spending levels carrying forward
Gas tax projections for 2028 based on June 2024 CBO report

The HTF's revenue is generated mostly through federal fuel taxes on gasoline and diesel, paid by people who use the transportation system by buying gasoline. Since 1993, the fuel tax has been set at 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel. (There are also smaller taxes on tires and heavy trucks that contribute to the HTF.)

However, the gas tax has failed to cover the cost of the increasingly large federal transportation program since 2009. Since 2008, at least $280 billion in general tax dollars have been transferred into the trust fund to keep it solvent. Since then, the gap between incoming taxes and outgoing spending has only grown. The trust fund is expected to be insolvent by 2028, two years after the existing authorization expires, and then $240 billion in the red by 2033.

Appropriated funding and *authorized* funding

Appropriations is the process that begins with the President's budget proposal, typically released around February. Congress is then supposed to pass a budget resolution to shape the specific programmatic spending that is divided between twelve separate bills, called "appropriations" bills. These bills need to be passed by the end of the federal fiscal year on September 30, or Congress has to pass an extension of the current spending plan (as has happened every year since 1996) to avoid a government shutdown.

Here is an example of how authorization and appropriations relate to one another: The HTF funds programs such as, but not limited to, the National Highway Performance Program (NHPP), Highway Safety Improvement Program (HSIP), Congestion Mitigation and Air Quality (CMAQ), as well as urban (Section 5309 in the US Code) and rural (Section 5311) transit programs. These programs receive multiyear authorization and appropriations from the HTF.

But not every transportation program receives funding from the HTF. Some are subject to the annual budget and appropriations process.

Within the $643 billion authorized for surface transportation in the IIJA (the most recent reauthorization bill), $200M was authorized for the Active Transportation Infrastructure Investment Program (ATIIP) and $4B for the transit Capital

Investment Grant (CIG) program. Yet, in FY24, no funds were appropriated for the ATIIP program, while the transit capital program was appropriated only $2.2B. The IIJA also included something called **advance appropriations**—funding for future years guaranteed from the general fund at the bill's passage that will not become available for obligation until future years of the legislation. The $47 billion for highways and $21 billion for transit provided through this mechanism were a way to guarantee funding outside of a trust fund without having to navigate the annual appropriations process. In the case of the IIJA, the funding was used to support several competitive programs like **Safe Streets and Roads for All** and the **National Electric Vehicle Formula Program** as well as all of the funding for passenger rail.

While this resulted in the IIJA's historic funding levels, it also widened the looming gap between how much funding comes into the HTF from gas taxes and overall spending. This means that new funding will be required to continue many popular programs (like SS4A) in the next reauthorization.

Who does what during reauthorization?

The process for authorizing a new surface transportation bill is complicated by this funding question, but also by the number of congressional committees involved. In the Senate, there are **four** committees with jurisdiction over some role in reauthorization. You might hear the portion each committee writes referred to as a "title," which is a reference to the US Code, like the "highway title" of the law.

- The **Environment and Public Works (EPW) Committee** has jurisdiction over highway and highway planning programs.
- The **Banking, Housing and Urban Affairs (Banking) Committee** has jurisdiction over transit and transit planning programs.
- The **Commerce, Science and Transportation (Commerce) Committee** has jurisdiction over safety, trucking, pipeline, and rail programs.
- The **Finance Committee** is in charge of funding the entire program.

Typically, the Environment and Public Works Committee kicks off the process by drafting and passing the highway title. Only then do the other committees act, with Banking and Commerce often waiting until Finance has determined how to pay for the program.

In the House, the process is a little simpler, with just three committees with jurisdiction over this program.

- The **Transportation and Infrastructure (T&I) Committee** has jurisdiction over most of the policy in the program across modes.
- The **Science, Space and Technology (Science) Committee** has jurisdiction only over the research programs.
- The **Ways and Means Committee** determines how the program is funded.

Note that there are also subcommittees within each committee that develop sub-portions of the law, like with the transit subcommittee under the House T&I full committee. These subcommittees are truly where the policy work begins.

The Transportation and Infrastructure Committee acts first, with the Science Committee following suit, but often only after the Ways and Means Committee determines how to pay for the program.

There's no formal or standard process for reauthorizing the surface transportation law. For example, historical precedent was overridden for the development and passage of the IIJA when the Senate neglected to fully negotiate with the House on their previously passed bill. The current surface transportation reauthorization bill expires on **September 30, 2026.** In an ideal scenario, a successor bill would be enacted into law by that date, but this has rarely happened. Delays have most often been related to unresolved debates about overall funding levels and where to get additional funding because the gas tax does not cover anywhere close to the full cost of the program. Although this timeline is not likely to be met (once again), it is helpful to proceed with advocacy for transportation priorities based on this schedule.

Ideal timeline for an on-time reauthorization

Oversight and information starts gathering and will go throughout the year	
Early 2025	Meetings with stakeholders
Spring-Summer 2025	Hearings begin to take place
Drafting legislation and support	
Fall 2025	White House: may issue a reauthorization proposal, but is not required to do so—President Obama did not before MAP-21. (Because the administration will be new and still staffing up, it could take until 2026 to get a full proposal done and other affected agencies.)
Introduced in early 2026	House: led by Transportation & Infrastructure but portions by Ways and Means (the money part) and Science Senate: led by EPW by tradition, though equally large and important parts of the bill are written by Banking, Commerce, and Finance (the money part)
March - April 2026	Hearings on bills
Legislating	
April - May 2026	Each committee passes their title of the bill in both houses (or at least EPW and T&I do)
May - June 2026	Titles within each chamber are wrapped together into one bill and go to the floor for passage
June - August 2026	House and Senate versions are reconciled with one another through a “conference committee,” which may include negotiations with the White House
September 2026	**Deal reached, passed by both chambers and signed by President**

While some of the steps in this timeline may happen, the reality is that none of this will come to pass precisely as laid out, and definitely not on this specific timeline. It's a virtual certainty that no reauthorization will be passed before September 2026.

While hearings will be held, bills will be drafted and possibly even passed through committee in 2025 and 2026, no legislative action will happen on the floor of either the House or Senate until there is a consensus on how to pay for a program that costs far more than the gas tax brings in each year. (The "funding title" is produced by the House Ways and Means and Senate Finance Committees.)

This is what most often holds up reauthorization, particularly since 2009 when gas tax receipts no longer covered the full cost of the program. Because of this imbalance, the federal transportation program is facing a historically large funding cliff, as noted above. The program has stayed fiscally solvent only by transferring more than $280 billion into the program from all taxpayers, and will be bankrupt by 2028.

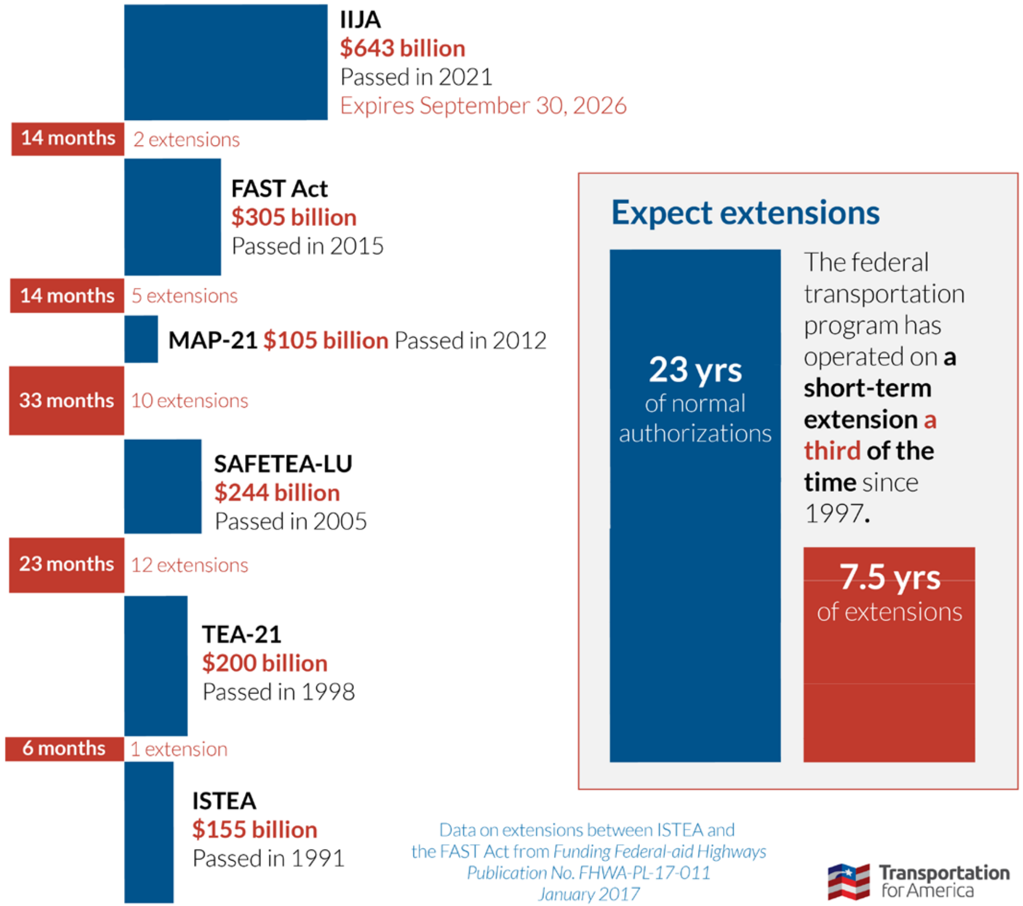
This structural financial program will need to be dealt with by:

- **Raising funds** (like gas taxes or establishing new taxes),
- **Cutting programs**, either the size of them or moving programs out of the trust fund and leaving them to fight for funding through the annual appropriations process, or
- An agreement to **deficit spend**.

Once there is an agreement on this question, which is likely to be made between Congress and the White House, a bill could move quite fast. Though there will still be areas of policy disagreement after funding issues are settled, we believe that Republicans and Democrats will continue to trade away their principles in the name of preserving the status quo on transportation. Once bills are drafted, they tend to serve as the basis for conversation or future proposals, even if a new Congress is seated with new leadership, so it is important to engage with them even if there is little chance they will pass by the IIJA expiration date.

Recent reauthorization history

Recent transportation reauthorizations have **never** passed on time and have always required numerous **short-term extensions.** Similar extensions **are likely to happen again** when the IIJA expires in 2026.



Appendix: Reauthorization law history

Here is a quick recap of the transportation reauthorizations of the past 30 years, starting with the present (the IIJA) and going back in time into the 1980s, to give you an idea of their overall funding levels, length, and highlights.

FY2022 - FY2026 (passed on November 15th, 2021)
Investment Infrastructure and Jobs Act (IIJA)
Pub. L. 117-58
$643 billion
Authorized $1.2 trillion for transportation and infrastructure spending (of which nearly $650 billion was for surface transportation). Included the new Carbon Reduction (climate-mitigation focused) and PROTECT (resiliency focused) formula

programs, as well as new competitive grant programs such as Reconnecting Communities and Safe Streets and Roads for All. However, two-thirds of funding went out through conventional highway programs and over $300 billion of surface transportation funds were sourced from the general fund, i.e, all taxpayers.

FY2016 - FY2020 (passed on December 3rd, 2015)

Fixing America's Surface Transportation (FAST Act)

Pub. L. 114-94

$305 billion

Modest increase in funding (including a third of the total sourced from the general fund) to keep up with inflation. Included a mostly highway-oriented National Highway Freight program and a rail title for the first time. It also referenced Complete Streets policy and allowed for financing of smarter transit-oriented development.

FY2013 - FY2014 (passed on June 29th, 2012)

Moving Ahead for Progress in the 21st Century Act (MAP-21)

Pub. L. 112-141

$105 billion (for two years)

Modest increase in funding in a short-term (two-year) bill due to the lack of consensus over how to cover the cost over more years. The bill restructured the highway title to reduce the number of programs in order to increase funding flexibility, and reorganized the transit formula programs as well. Created a performance management program for some accountability that (still) requires states, MPOs and transit agencies to set targets for safety and state of repair, among other priority outcomes. Also created the transit Core Capacity program (for substantial investment in an existing transit corridor) and the transit safety program. Removed the Safe Routes to School program and cut Transportation Alternatives funding but required states to give directly to local governments.

FY2006 - FY2009 (passed on August 10th, 2005)

The Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU)

Pub. L. 109-59

$244 billion

Increased funding for a program that was largely similar to the one it was replacing and moved the minimum guaranteed funding for each state from 90.5% to at least 92% of what each state contributes to the Highway Trust Fund through the gas tax. Established a new Safe Routes to School program and Small Starts transit program for smaller projects. Set up a funding cliff in 2009 with the goal of forcing a future Congress to raise the gas tax to solve the problem. Included 5,092 separate earmarks with a value of over $14.8 billion, including New York Cross Harbor Freight Tunnel and the infamous Bridge to Nowhere, which were responsible in part for the ban on earmarks for specific projects that happened in future years.

FY1998 - FY2003 (passed on June 9th, 1998)

Transportation Equity Act for the 21st Century (TEA-21)

Pub. L.105-178

$200 billion

Linked the size of the federal transportation program to gas tax revenues and created a “firewall” around highway and transit spending programs, preventing them from being subject to the annual spending process. Established a minimum guarantee for each state of 90.5% of what each state contributes to the Highway Trust Fund through the gas tax. Created the Railroad Rehabilitation & Improvement Financing (RRIF) program to finance improvements to rail infrastructure, equipment and facilities.

FY1992 - FY1997 (passed on December 18th, 1991)
The Intermodal Surface Transportation Efficiency Act (ISTEA)
Pub. L. 102-240
$155 billion
Created a planning structure and flexibility that encouraged states and regions to think more about regional travel by all modes. Created the Surface Transportation Program (the most flexible transportation program which can be spent on almost any type of project, known today as the Surface Transportation Block Grant) and the Congestion Mitigation and Air Quality Improvement Program, or CMAQ. With this bill, Congress notably declared the Interstate system complete.

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Credits

This guide was co-written by Mehr Mukhtar, senior policy associate, and Elisa Ramirez, policy and outreach associate. Editorial and oversight from Benito Perez, policy director, Steve Davis, AVP of transportation strategy, and Beth Osborne, VP of transportation. Cover photo by Steve Davis for Transportation for America.

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