

# Item 5

## Federal Surface Transportation Funding Reauthorization Update

**PRESENTER: MIKE CONGER, TPO STAFF**

**NO ACTION REQUIRED**



Association of  
Metropolitan  
Planning  
Organizations

# Reauthorization of the Surface Transportation Bill

**Knoxville Regional TPO**

12/17/2025

# Transportation Reauthorization 101



Process by which transportation funding and policy are authorized



Occurs Every 5-6 years (current bill – IIJA – expires end of FY 26)



Federal Transportation funding is guaranteed through reauthorization (funding comes from the HTF)



Committees:

House: T&I – Policy; Ways & Means – Funding; Science – Research\*\*  
Senate: EPW – Highway; Banking – Transit; Commerce – General\*/Research\*/Safety

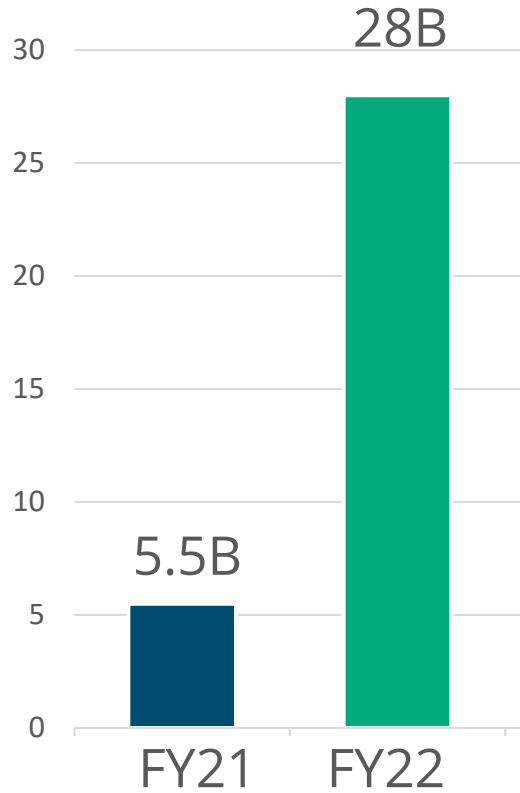
View the  
Reauthorization  
101 Guide



# IIJA Discretionary Funding

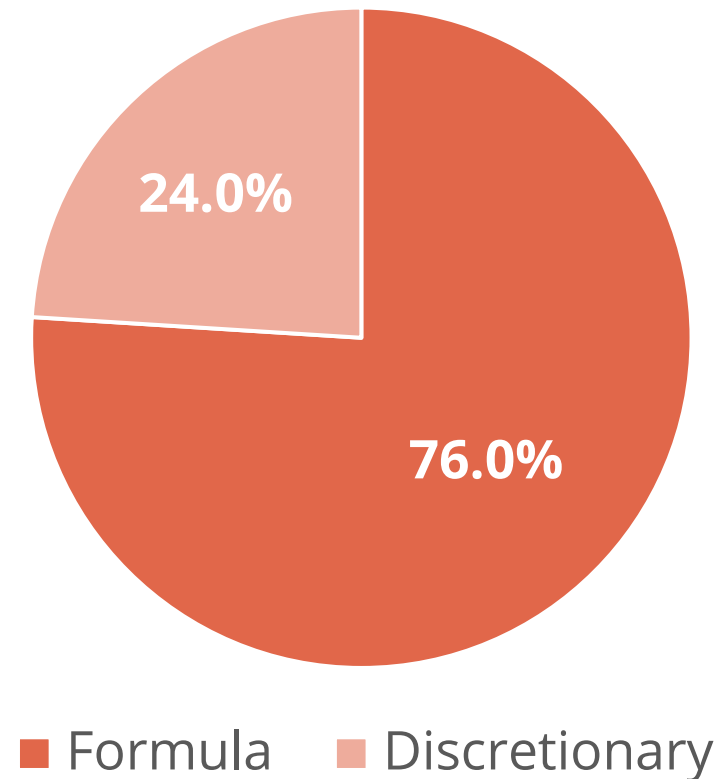
## Discretionary Funding

FAST ACT >> IIJA/BIL



## Total Funding Split

FY22 – FY26



# USDOT Reauthorization

Recurring themes by USDOT include:



**Enhancing  
Safety**



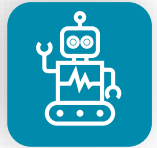
**Speeding up  
Project Delivery**



**Economic  
Opportunity**



**Strengthening  
Partnerships**



**Innovation**



**Supporting Families  
& Communities**

## In the News

Administration Proposals on Cuts to Transit Funding ([read here](#))

- **Eliminate the Mass Transit Account** within the Highway Trust Fund and divert its dedicated revenue to highway uses
- Prohibit states from **using FHWA highway formula dollars for transit projects or transferring those funds** to FTA.



# Highway Trust Fund - Pending Insolvency

## Highway Trust Fund Established in 1956 as Primary Federal Transportation Funding Mechanism, i.e. “User Fee”

- Current Fuel Taxes (18.4 cents and 24.4 cents per gallon for gasoline and diesel) are unchanged since 1993
- Has required over \$275B in transfers from the general fund since 2008 to remain solvent and will be depleted again by 2028 without more revenue/general fund infusion
- Need to Address Long-term Systemic Issue of Falling Gas Tax Revenue (increased fuel mileage, EV use, etc)



**Congressional Budget Office**  
Baseline Projections

January 2025

### Highway Trust Fund Accounts

	Actual, 2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>BUDGET INFORMATION</b>												
Millions of dollars, by fiscal year												
<b>Highway Account</b>												
Start-of-Year Balance	89,649	74,632	56,280	34,122	10,156	a	a	a	a	a	a	a
Flexed Balances <sup>b</sup>	-1,464	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200
Receipts <sup>c</sup>	38,885	38,992	39,068	38,962	38,643	38,138	37,436	36,523	35,706	35,063	34,587	34,271
Interest	4,440	2,394	1,328	530	17	a	a	a	a	a	a	a
Outlays	56,879	58,537	61,353	62,259	63,333	63,857	64,854	65,822	66,724	68,170	69,561	70,975
End-of-Year Balance	74,632	56,280	34,122	10,156	a	a	a	a	a	a	a	a

# AMPO Legislative Priorities

## Planning: The Blueprint for Success

- Increase Metropolitan Planning (PL) funding
- Allow MPOs to receive PL Funds directly, with an opt-out option
- Eliminate the local match requirement for PL funds
- Modernize eligible uses

## Empower Regional Decision-Making

- Local/Regional Governments own and maintain more than 75% of road miles, but only receive 14% of federal suballocated funding
- Clarify & strengthen project selection roles
- Enhance coordination & transparency
- Pilot program for select MPOs to directly receive suballocated funds with a streamlined process

## Right-size, Align, and Streamline

- Reduce local match requirements for suballocated capital programs
- Allow both planning & capital dollars to carry into future years
- Streamline reviews & permitting
- Strengthen predictable & accessible funding

## Drive Safety Improvements Through Regional Action

- Fold SS4A program into HSIP with guaranteed regional access
- Strengthen regional role in bridge programs – convert Bridge Formula Program to suballocated program

# Reauthorization Timeline - House

**2025 Fall:** Finalizing Base Text & Sharing Between Minority/Majority Committee Staff



**2026 Winter:** Bills released & markups

**2026 Winter/Early Spring:** Potential floor time  
*Chairman Graves: goal of house passage by Spring 2026*

**2026 September 30th:** IIJA expires

**2026 November:** Midterm Elections

*Note: House expected to move ahead of Senate timeline.*