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Surface Transportation Reauthorization: Federal Highway Programs

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Surface Transportation Reauthorization: Federal Highway Programs

Federal funding for public roads is provided primarily through highway programs administered by the Department of Transportation's (DOT's) Federal Highway Administration (FHWA). Congress most recently authorized the federal highway programs for FY2022-FY2026 as part of the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58), a five-year surface transportation authorization act. Congress may consider future surface transportation authorization legislation, including issues and policy options related to highways. Three potential considerations are (1) the level of federal highway funding, (2) the potential insolvency of the Highway Trust Fund, and (3) the composition of the federal highway programs.

The level of funding for the federal highway programs is typically a major issue in surface transportation authorization. In the IIJA, Congress provided a total of \$365 billion for the highway programs: \$304 billion in contract authority from the Highway Trust Fund, \$47 billion in multiyear advance appropriations from the Treasury's General Fund (general fund), and \$15 billion authorized from the general fund subject to future appropriations. In nominal dollars, average annual funding increased by approximately 62% from the previous surface transportation authorization act to the IIJA. However, when adjusted for inflation, the purchasing power of the annual funding in FY2025 was less than the purchasing power of funding in FY2005, the first year of the Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA; P.L. 109-59). As Congress faces reauthorization of surface transportation law, it may choose to consider reducing funding, maintaining the same level of funding, or increasing funding for the highway programs.

The source of funding for the federal highway programs may also be a major issue in reauthorization. Historically, the majority of funding for the highway programs has come from the Highway Trust Fund's highway account. If the current revenue and expenditure trends continue, then the highway account's balance is set to approach zero in FY2028. Congress has multiple options for addressing the growing gap between highway account revenue and expenditures. For example, Congress could increase reliance on the general fund by continuing to transfer money from the general fund to the Highway Trust Fund or by funding a greater portion of the highway programs through multiyear advance appropriations. Congress could increase Highway Trust Fund revenues by increasing existing taxes or establishing alternative revenue sources, such as taxes on electric vehicles, a vehicle miles traveled tax, or increased tolling. Congress could reduce expenditures by discontinuing certain programs, decreasing funding to some or all highway programs, or shifting the responsibility for funding highway projects to state and local governments. These options might lead to an overall reduction in investment in highway infrastructure.

Congress may also consider whether to discontinue or maintain existing highway programs and/or create new programs. In the Moving Ahead for Progress in the 21st Century Act (P.L. 112-141), enacted in FY2012, Congress reduced the number of highway programs by roughly two-thirds, which resulted in six core formula programs and some competitive discretionary grant programs. Under the Fixing America's Surface Transportation Act (P.L. 114-94), Congress created one new formula program and a few new competitive discretionary grant programs. Under the IIJA, Congress created four new formula programs and many new competitive discretionary grant programs. The feasibility of maintaining the existing highway programs or creating new programs may depend on the sources and levels of funding Congress may choose.

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Introduction

Congress periodically passes authorizing legislation for the federal surface transportation programs. Surface transportation authorization acts establish, continue, or discontinue federal programs and provide funds for such programs.¹ Previous surface transportation authorization acts covered programs related to highways, highway safety, transit, and intercity passenger rail. This report focuses on highway programs authorized in the most recent surface transportation reauthorization legislation, the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58). This includes programs authorized in Division A, Title I, of the IIJA, as well as certain programs authorized in Division J, Title VIII, that provide funding for public roads. The Federal Highway Administration (FHWA) identified such programs in its IIJA funding table.²

For information about reauthorization of other federal transportation programs, see

- CRS Report R48644, *Surface Transportation Reauthorization: Public Transportation*, by William J. Mallett;
- CRS Report R48881, *Surface Transportation Reauthorization: Passenger and Freight Rail Issues*, by Ben Goldman; and
- CRS Report R48759, *Surface Transportation Reauthorization: Commercial Trucking Issues*, by John Frittelli.

Surface transportation authorization acts have provided funding for multiple fiscal years. (See **Table 1** for recent reauthorization acts.)

Table 1. Years and Duration of Surface Transportation Reauthorization Acts

Act	Year Passed	Years Funded	Duration
Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58)	FY2022	FY2022-FY2026	5 fiscal years
Fixing America's Surface Transportation Act (FAST Act; P.L. 114-94)	FY2015	FY2016-FY2020	5 fiscal years
Moving Ahead for Progress in the 21 st Century Act (MAP-21; P.L. 112-141)	FY2012	FY2013-FY2014	2 fiscal years
Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA; P.L. 109-59)	FY2005	FY2005-FY2009	5 fiscal years
Transportation Equity Act for the 21 st Century (TEA-21; P.L. 105-178)	FY1998	FY1998-FY2003	6 fiscal years
Intermodal Surface Transportation Efficiency Act (ISTEA; P.L. 102-240)	FY1992	FY1992-FY1997	6 fiscal years

Source: Compiled by CRS from legislation.

Notes: Authorizations in ISTEA, TEA-21, SAFETEA, MAP-21, and the FAST Act expired before Congress passed new surface transportation authorization legislation. In each case, Congress passed legislation to extend the federal-aid highway programs while negotiations over the new surface transportation reauthorization bill continued.

¹ U.S. Department of Transportation (DOT), Federal Highway Administration (FHWA), *Funding Federal-Aid Highways*, FHWA-PL-17-011, January 2017, pp. 1, 5-12, https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/FFAH_2017.pdf (hereinafter FHWA, *Funding Federal-Aid Highways*).

² FHWA, *Highway Authorizations Under the Infrastructure Investment and Jobs Act* (P.L. 117-58), November 30, 2021, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/docs/highway_authorizations_nov302021.pdf.

Federal funding for public roads is provided primarily through highway programs administered by FHWA. In the IIJA, Congress authorized more than 30 such highway programs, which have different requirements and fund varying types of projects. These programs largely concern highway construction and generally do not support operations (e.g., employee salaries or fuel costs) or routine maintenance (e.g., mowing roadway fringes or filling potholes). Generally, federal money can be spent only on designated federal-aid highways, which make up roughly one-quarter of U.S. public roads in terms of mileage.³

Surface transportation authorization legislation typically deals with wide-ranging policy considerations. This report addresses three selected issues that may be of concern to Congress during development of a future surface transportation authorization act. The first issue concerns the level of funding for the highway programs and the types of highway funding. The IIJA provided an increase in highway funding compared with the Fixing America's Surface Transportation Act (FAST Act; P.L. 114-94) and increased the highway programs' reliance on the Treasury's General Fund (general fund). Second, Congress may contend with the potential insolvency of the Highway Trust Fund, the main source of funding for the highway programs. The Congressional Budget Office (CBO) projects that, absent a change in policy, the balance in the Highway Trust Fund's highway account will approach zero in FY2028. Third, Congress may consider changes to the highway formula and competitive discretionary grant programs to reflect shifting priorities.

Highway Program Funding Levels

Funding for the highway programs is typically a major issue in surface transportation authorization debates. Types of highway funding may also be debated.

Types of Highway Funding

In the IIJA, Congress provided three types of funding for federal highway programs:

1. **Contract authority from the Highway Trust Fund.** Contract authority is a type of budget authority that is available for obligation prior to an appropriation; appropriators later provide liquidating authority to pay the obligations.⁴ Contract authority from the Highway Trust Fund typically remains available for obligation for four fiscal years.⁵ The Highway Trust Fund is the primary source of funding for the federal highway programs.
2. **Authorizations from the general fund, subject to future appropriations.** Congress may authorize these funds in surface transportation reauthorization acts but would need to appropriate these funds to make them available for obligation and outlay.⁶ Such funds are typically appropriated in annual appropriations legislation and usually remain available for one fiscal year. For some programs

³ See Table HM-16. Public Road Length - 2023, Miles by Ownership and Federal-aid Highways, National Summary, from FHWA, Office of Highway Policy Information, "Highway Statistics Series: Highway Statistics 2023," November 19, 2024, <https://www.fhwa.dot.gov/policyinformation/statistics/2023/hm16.cfm>.

⁴ For information about types of budget authority, including contract authority, see CRS In Focus IF12105, *Introduction to Budget Authority*, by James V. Saturno.

⁵ For information about contract authority from the Highway Trust Fund, see FHWA, *Funding Federal-Aid Highways*, pp. 13-14.

⁶ For information about the relationship between authorizations and appropriations, see CRS Report R46497, *Authorizations and the Appropriations Process*, by James V. Saturno.

authorized in the IIJA, Congress did not appropriate such funds in subsequent appropriations acts.⁷

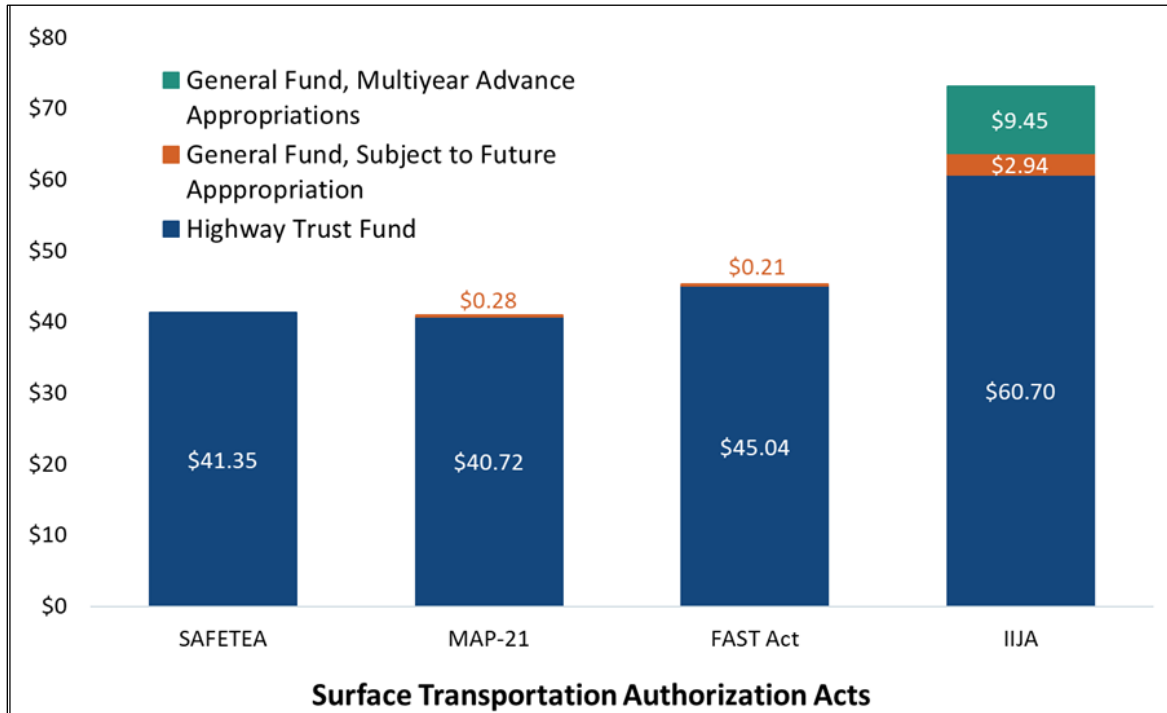
3. **Multiyear advance appropriations from the general fund.** Advance appropriations become available one or more fiscal years after the budget year covered by the appropriations act.⁸ In the IIJA, Congress appropriated funding that became available each fiscal year from FY2022 to FY2026. Unlike authorizations subject to future appropriations, multiyear advance appropriations do not require additional action from Congress to become available in subsequent years. The IIJA was the first surface transportation authorization act to include multiyear advance appropriations.

Prior to the IIJA, Congress funded the federal highway programs mainly through contract authority from the Highway Trust Fund and authorized smaller amounts from the general fund, subject to future appropriations. For example, the FAST Act authorized approximately \$45 billion from the Highway Trust Fund and \$210 million from the general fund, subject to future appropriations. Compared with prior surface transportation reauthorization acts, the IIJA provided more funding from the Highway Trust Fund, more general fund dollars subject to future appropriations, and (for the first time) multiyear advance appropriations from the general fund (see **Figure 1**).

⁷ For example, Congress authorized \$100 million per fiscal year for the Transportation Resilience and Adaptation Centers of Excellence but did not appropriate any such funding. See P.L. 117-58, §11001(a)(2)(D).

⁸ For more information about advance appropriations, see CRS Report R43482, *Advance Appropriations, Forward Funding, and Advance Funding: Concepts, Practice, and Budget Process Considerations*, by Jessica Tollestrup and Megan S. Lynch.

Figure I. Average Annual Highway Program Authorized Funding in Surface Transportation Authorization Acts
in nominal dollars; \$billion



Sources: Figure created by CRS using data from U.S. Department of Transportation (DOT), Federal Highway Administration (FHWA), *Highway Authorizations: Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA-LU)*, P.L. 109-59, as Amended, January 31, 2012, <https://www.fhwa.dot.gov/safetealu/fy12authtables.pdf>; FHWA, *Highway Authorizations: Moving Ahead for Progress in the 21st Century Act (MAP-21)*, July 2, 2012, <https://www.fhwa.dot.gov/map21/docs/hamap21.pdf>; FHWA, *Federal-Aid Highway Program Authorizations Under the Fixing America’s Surface Transportation (FAST) Act*, accessed August 5, 2025, <https://www.fhwa.dot.gov/fastact/estfy20162020auth.pdf>; and FHWA, *Highway Authorizations Under the Infrastructure Investment and Jobs Act* (P.L. 117-58), November 30, 2021, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/docs/highway_authorizations_nov302021.pdf.

Notes: SAFETEA = Safe, Accountable, Flexible, Efficient Transportation Equity Act (P.L. 109-59); MAP-21 = Moving Ahead for Progress in the 21st Century Act (P.L. 112-141); FAST Act = Fixing America’s Surface Transportation Act (P.L. 114-94); and IIJA = Infrastructure Investment and Jobs Act (P.L. 117-58). In SAFETEA, Congress authorized “such sums as may be necessary,” subject to future appropriations, for a few programs. As no dollar amount is associated with these programs, these authorizations are not reflected in Figure I. This figure does not reflect rescissions. Authorizations in SAFETEA, MAP-21, and the FAST Act expired before Congress passed new surface transportation authorization legislation. In each case, Congress passed legislation to extend the federal-aid highway programs while negotiations over the new surface transportation reauthorization bill continued. These extensions are not considered in the figure.

In total, the IIJA provided \$365 billion for the highway programs: \$304 billion in contract authority from the Highway Trust Fund, \$47 billion in multiyear advance appropriations from the general fund, and \$15 billion in authorizations subject to future appropriations.⁹ In nominal dollars, average annual highway funding increased by approximately 62% from the FAST Act to the IIJA.

⁹ Numbers may not add to totals shown because of rounding. See FHWA, *Highway Authorizations Under the Infrastructure Investment and Jobs Act* (P.L. 117-58), November 30, 2021, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/docs/highway_authorizations_nov302021.pdf.

Comparing Funding Levels Across Surface Transportation Authorization Acts

Changes in economic, political, and policy landscapes between reauthorization cycles may hinder comparisons of funding levels across surface transportation authorization acts. For example, as illustrated in **Table 1**, Congress authorized similar average funding levels in the Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA; P.L. 109-59) enacted in FY2005 and in the Moving Ahead for Progress in the 21st Century Act (MAP-21; P.L. 112-141) enacted in FY2012 (\$41.35 billion and \$40.72 billion, respectively). Below is a list of selected events and decisions made between FY2005 and FY2012 that affected transportation policy and funding levels.

- The so-called “Great Recession” (December 2007-June 2009) reduced revenue for transportation budgets at the federal and state levels.¹⁰
- Congress enacted the American Recovery and Reinvestment Act of 2009 (ARRA; P.L. 111-5), which among other things provided \$27.5 billion for the highway programs outside of the regular surface transportation reauthorization cycle.¹¹
- The Highway Trust Fund faced an insolvency crisis, which Congress temporarily resolved with two multibillion-dollar transfers from the general fund.¹²
- SAFETEA authorized directed spending, including earmarked programs. Beginning in FY2011, Congress began observing an earmark moratorium. As a result, MAP-21 did not contain directed spending.¹³
- MAP-21 eliminated or consolidated many of the highway programs that had existed under SAFETEA, which reduced the total number of programs by roughly two-thirds.¹⁴

Inflation also complicates comparisons between the funding levels of recent surface transportation authorization acts. **Table 2** shows the highway authorizations for FY2005-FY2024 in both nominal and inflation-adjusted dollars. In nominal dollars, average annual highway authorizations decreased slightly from SAFETEA to MAP-21 and have increased with every surface transportation authorization act from MAP-21 to the IJA. However, when adjusted for inflation, the FY2005 funding exceeds the purchasing power of every subsequent fiscal year to date. For FY2025, the IJA provided a total of \$74 billion for highway programs; in 2025 dollars, the purchasing power of SAFETEA’s authorizations for FY2005 was \$92 billion.¹⁵ In 2025

¹⁰ See Table REC-C. Total Receipts for Highways, by Governmental Unit 2000-2023 at FHWA, *Highway Statistics 2023*, May 5, 2025, <https://www.fhwa.dot.gov/policyinformation/statistics/2023/recc.cfm>.

¹¹ For more information about the American Recovery and Reinvestment Act of 2009 and infrastructure spending, see CRS Report R46343, *Transportation Infrastructure Investment as Economic Stimulus: Lessons from the American Recovery and Reinvestment Act of 2009*, by William J. Mallett.

¹² See “Highway Trust Fund Insolvency” for an overview of issues related to the Highway Trust Fund. For a more detailed discussion, see CRS Report R48472, *The Highway Trust Fund’s Highway Account*, by Ali E. Lohman.

¹³ CRS Report R41554, *Transportation Spending Under an Earmark Ban*, by William J. Mallett.

¹⁴ FHWA, *Moving Ahead for Progress in the 21st Century Act (MAP-21): A Summary of Highway Provisions*, July 17, 2012, https://www.fhwa.dot.gov/map21/docs/map21_summary_hgwy_provisions.pdf (hereinafter FHWA, *Moving Ahead for Progress in the 21st Century Act (MAP-21)*).

¹⁵ CRS calculation using the “highways and streets” price index, line 25, in Table 5.9.4. Price Indexes for Gross Government Fixed Investment by Type, from Bureau of Economic Analysis (BEA), “National Data: National Income and Product Accounts,” updated September 26, 2025.

dollars, the purchasing power of annual authorizations for MAP-21 and the FAST Act was between \$58 billion and \$61 billion.

Table 2. Highway Funding in Surface Transportation Authorization Acts, Adjusted for Inflation, FY2005-FY2026

in billions of dollars

Surface Transportation Authorization Act	Fiscal Year	Total Funds (in Nominal Dollars)	Total Funds (in FY2025-Adjusted Dollars)
SAFETEA (P.L. 109-59) ^a	FY2005	\$39.02	\$91.65
	FY2006	\$39.11	\$82.96
	FY2007	\$42.27	\$78.92
	FY2008	\$43.15	\$73.36
	FY2009 ^b	\$43.18	\$70.97
MAP-21 (P.L. 112-141)	FY2013	\$40.97	\$59.03
	FY2014	\$41.03	\$58.20
FAST Act (P.L. 114-94) ^c	FY2016	\$43.32	\$61.05
	FY2017	\$44.22	\$60.85
	FY2018	\$45.18	\$59.56
	FY2019	\$46.22	\$59.31
	FY2020	\$47.31	\$60.10
IIJA (P.L. 117-58)	FY2022	\$70.25	\$75.28
	FY2023	\$71.68	\$73.83
	FY2024	\$73.12	\$74.63
	FY2025	\$74.47	\$74.47
	FY2026	\$75.94	To be determined ^d

Sources: Compiled by CRS from FHWA, *Highway Authorizations: Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA-LU)*, P.L. 109-59, as Amended, January 31, 2012, <https://www.fhwa.dot.gov/safetealu/fy12authntables.pdf>; FHWA, *Highway Authorizations: Moving Ahead for Progress in the 21st Century Act (MAP-21)*, July 2, 2012, <https://www.fhwa.dot.gov/map21/docs/hamap21.pdf>; FHWA, *Federal-Aid Highway Program Authorizations Under the Fixing America’s Surface Transportation (FAST) Act*, accessed August 5, 2025, <https://www.fhwa.dot.gov/fastact/estfy20162020auth.pdf>; and FHWA, *Highway Authorizations Under the Infrastructure Investment and Jobs Act (P.L. 117-58)*, November 30, 2021, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/docs/highway_authorizations_nov302021.pdf. The inflation adjustment for FY2005-FY2023 was calculated using the “highways and streets” price index, line 25, in Table 5.9.4. Price Indexes for Gross Government Fixed Investment by Type, from Bureau of Economic Analysis (BEA), “National Data: National Income and Product Accounts,” updated September 26, 2025. For FY2024 and FY2025, the index value was imputed using line 35 in Table 3.9.4. Price Indexes for Government Consumption Expenditures and Gross Investment, from BEA, “National Data: National Income and Product Accounts,” updated January 22, 2025.

Notes: SAFETEA = Safe, Accountable, Flexible, Efficient Transportation Equity Act; MAP-21 = Moving Ahead for Progress in the 21st Century Act; FAST Act = Fixing America’s Surface Transportation Act; and IIJA = Infrastructure Investment and Jobs Act.

- a. In SAFETEA, Congress authorized “such sums as may be necessary,” subject to future appropriations, for a few programs. As there is no dollar amount associated with these programs, these authorizations are not reflected in Table 2.
- b. The data for FY2009 do not reflect the recissions required by §10212 of SAFETEA. In FY2010, Congress reversed the recission through the Hiring Incentives to Restore Employment Act (P.L. 111-147, §413). Data for the IIJA do not reflect recissions in the Consolidated Appropriations Act, 2026 (P.L. 119-75).
- c. SAFETEA, MAP-21, and the FAST Act expired before Congress had passed new surface transportation authorization legislation. In each case, Congress passed legislation to extend the federal-aid highway programs while negotiations over the next surface transportation reauthorization bill continued. These extensions are not addressed in the table.
- d. The inflation-adjusted funding for FY2026 is listed as “to be determined” because as of April 2, 2026, BEA has not published data for either price index for this fiscal year. The inflation-adjusted value is unlikely to exceed the nominal value for this fiscal year.

Considerations for Congress

Funding Levels

Congress may consider the funding level of the highway programs. Congress could reduce funding, maintain the same level of funding, or increase funding. Congress has taken a variety of approaches in the past. In nominal dollars, average annual highway funding decreased from SAFETEA to MAP-21 and increased by about \$4 billion under the FAST Act. From the FAST Act to IIJA, average annual highway funding increased by approximately \$28 billion.

The availability of funds from the Highway Trust Fund may affect highway funding levels (see “Highway Trust Fund Insolvency,” below). Funding levels may also be influenced by decisions regarding the number and scope of federal highway programs (see “Federal-Aid Highway Formula and Competitive Discretionary Programs,” below).

Federal highway funding levels can affect the number and scope of highway projects on federal-aid highways over several years following a surface transportation authorization, as well as the number and scope of highway research and planning efforts. A reduction in federal funding for highways may shift responsibility for highway funding to state and local governments. Some state and local governments may be able to absorb additional highway costs or raise additional funds for highway projects without disruption of ongoing or planned highway projects while other state and local governments may not. States with a high percentage of highway assets in poor condition may be more sensitive to a reduction in federal highway funding levels.¹⁶

Types of Funding

Congress also may consider the types of federal highway funding. Historically, the highway programs have drawn funding from the Highway Trust Fund, but the fund has become increasingly reliant on transfers from the general fund to remain solvent. In the IIJA, Congress (for the first time) provided funding to the highway programs in the form of multiyear advance appropriations directly from the general fund. Congress may consider whether to continue funding the highway programs through the Highway Trust Fund and, if so, how to ensure the

¹⁶ National Academies of Sciences, Engineering, and Medicine (NASEM), *National Cooperative Highway Research Program (NCHRP) Research Report 1004: Federal Funding Uncertainty in State, Local, and Regional Departments of Transportation: Impacts, Responses, and Adaptations* (The National Academies Press: 2022), pp. 56-61, <https://nap.nationalacademies.org/catalog/26591/federal-funding-uncertainty-in-state-local-and-regional-departments-of-transportation-impacts-responses-and-adaptations> (hereinafter NASEM, *NCHRP Report: Federal Funding Uncertainty in State, Local, and Regional Departments of Transportation*).

solvency of the Highway Trust Fund. Congress may also consider whether to continue funding the highway programs through multiyear advance appropriations or not. For a full discussion of these issues and options, see “Highway Trust Fund Insolvency.”

Highway Trust Fund Insolvency

While developing MAP-21, the FAST Act, and the IIJA, Congress considered the size of the Highway Trust Fund, which first faced insolvency in FY2007.¹⁷ The Highway Trust Fund is a federal accounting mechanism that provides a dedicated source of funding for certain federal surface transportation programs.¹⁸ The Highway Trust Fund has two accounts: the highway account, through which the majority of funds flow, and the mass transit account.¹⁹ The mass transit account provides funding for “making capital or capital related expenditures” on public transportation projects.²⁰ The highway account provides funding primarily for the federal-aid highway program and highway and vehicle safety programs, as well as for highway research, which is outside the scope of this report.²¹

The Highway Trust Fund receives revenue from fuel taxes and other transportation-related excise taxes.²² Fuel taxes typically make up roughly 85% of the highway account’s annual revenue: about 60% from the gasoline tax and about 25% from the diesel tax. Congress last raised fuel taxes in FY1993 when it set the gasoline tax at 18.30 cents per gallon, of which the highway account receives an allocation equivalent to 15.44 cents, and the diesel tax at 24.30 cents per gallon, of which the highway account receives an allocation equivalent to 21.44 cents.²³

For many years, highway account revenue exceeded or was roughly equal to expenditures. Since FY2001, expenditures have exceeded revenue. The decline in revenue is due in part to inflation, which has caused a 74% decline in the purchasing power of the gasoline and diesel taxes since FY1993.²⁴ Other factors contributing to the decline in the value of the fuel taxes include the

¹⁷ For a more detailed discussion of the Highway Trust Fund, see CRS Report R48472, *The Highway Trust Fund’s Highway Account*, by Ali E. Lohman.

¹⁸ A *federal trust fund* is “an accounting mechanism used to link dedicated collections with their expenditure for a specific purpose or program.” See U.S. Government Accountability Office (GAO), *Federal Trust Funds and Other Dedicated Funds: Fiscal Sustainability Is a Growing Concern for Some Key Funds*, GAO-20-156, January 2020, p. 4, <https://www.gao.gov/assets/gao-20-156.pdf>.

¹⁹ Congress established the mass transit account in the Highway Revenue Act of 1982, part of the Surface Transportation Assistance Act of 1982 (P.L. 97-424). The portion of the Highway Trust Fund separate from the mass transit account is commonly referred to as the “highway account,” though not formally designated as such. See FHWA, *Primer: Highway Trust Fund*, November 1998, p. 3, https://rosap.nhtl.bts.gov/view/dot/13489/dot_13489_DS1.pdf.

²⁰ 26 U.S.C. §9503(e)(3). For more information about the federal public transportation program, see CRS Report R48644, *Surface Transportation Reauthorization: Public Transportation*, by William J. Mallett.

²¹ P.L. 117-58; P.L. 114-94; P.L. 112-141; and P.L. 109-59.

²² Excise taxes are those on specific consumption or behavior as opposed to general sales taxes, which tend to apply to all consumption with some exceptions. For more information about excise taxes, see CRS Report R46938, *Federal Excise Taxes: Background and General Analysis*, by Anthony A. Cilluffo. For information about all the transportation excise taxes that feed into the Highway Trust Fund, see **Table A-1**.

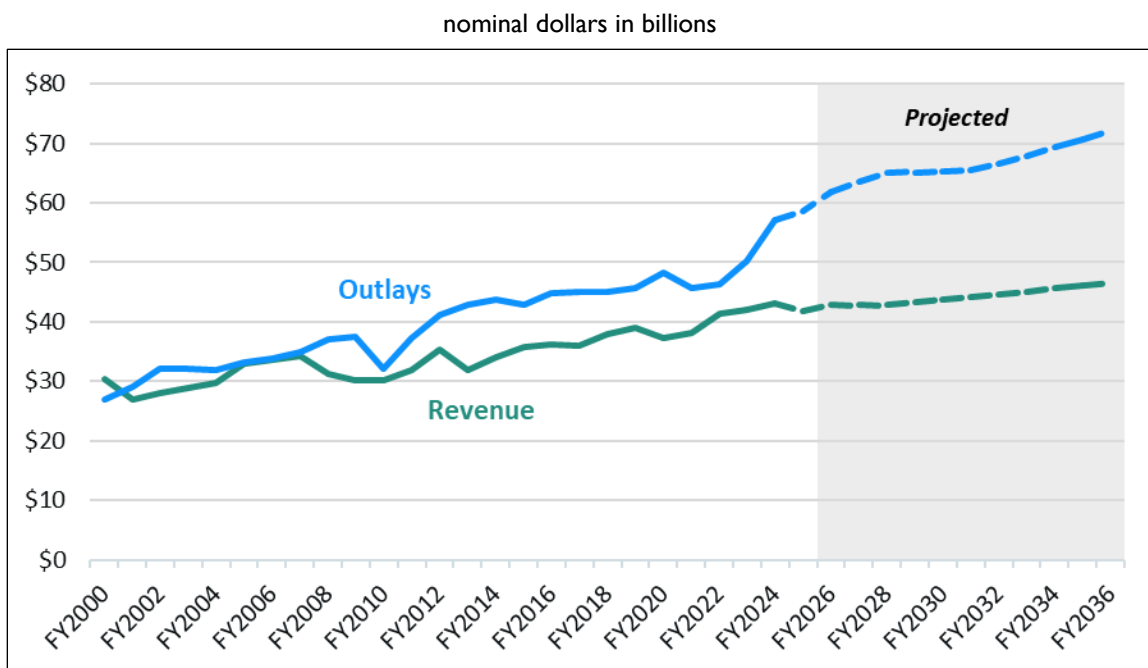
²³ 26 U.S.C. §4081(a)(2)(A). An additional 0.1 cent per gallon tax is on both gasoline and diesel. This tax revenue is directed to the Leaking Underground Storage Tank Trust Fund (often referred to as the LUST Trust Fund), not the Highway Trust Fund. As a result, some sources may refer to an 18.4 cents per gallon gasoline tax and a 24.4 cents per gallon diesel tax. These taxes are set at this level through FY2028, after which they are to reduce to 4.3 cents per gallon for both gasoline and diesel.

²⁴ Adjusted for inflation using Table 5.9.4. Price Indexes for Gross Government Fixed Investment by Type, from BEA, “National Data: National Income and Product Accounts,” updated September 26, 2025; and Table 3.9.4. Price Indexes (continued...)

slowing rate of increase in the total number of miles driven in the United States, the increasing fuel economy of internal combustion engine vehicles, and the increasing percentage of electric and hybrid vehicles on the roads.²⁵

According to the Congressional Budget Office (CBO), the gap between highway account revenue and expenditures is expected to increase. **Figure 2** shows CBO’s baseline projections for the highway account as of February 2026. The gap between revenue and outlays was approximately \$17 billion in FY2025. By FY2036, CBO projects the gap will be \$26 billion.²⁶

Figure 2. CBO’s Projected Gap Between Revenue and Outlays for the Highway Trust Fund’s Highway Account



Source: Figure created by CRS using Congressional Budget Office, *Baseline Projections: Highway Trust Fund Accounts*, February 2026, <https://www.cbo.gov/system/files/2026-02/51300-2026-02-highwaytrustfund.pdf>.

Note: Revenue includes interest.

If current revenue and expenditure trends were to continue, the highway account balance would approach zero in FY2028. (The balance of the mass transit account is projected to approach zero in FY2027.) The Highway Trust Fund cannot incur a negative balance. Absent other action, if the

for Government Consumption Expenditures and Gross Investment, from BEA, “National Data: National Income and Product Accounts,” updated January 22, 2025. Results vary on the basis of the price index. For example, using the Consumer Price Index, the gas tax has lost 53% of its purchasing power since FY1993.

²⁵ For more information about the factors contributing to the decline in the value of the fuel taxes, see CRS Report R48472, *The Highway Trust Fund’s Highway Account*, by Ali E. Lohman.

²⁶ Congressional Budget Office (CBO), *Baseline Projections: Highway Trust Fund Accounts*, February 2026, <https://www.cbo.gov/system/files/2026-02/51300-2026-02-highwaytrustfund.pdf>.

highway account were to be depleted, FHWA may slow payments to state and local governments for completed work on federal-aid projects²⁷ and reduce apportionments to states.²⁸

Considerations for Congress

Increase Reliance on the General Fund

Congress could resolve concerns about the solvency of the Highway Trust Fund by increasing the highway programs' reliance on the general fund either through transfers from the general fund to the Highway Trust Fund or by bypassing the Highway Trust Fund entirely. Since 2008, Congress has addressed the gap between Highway Trust Fund revenue and expenditures by transferring increasing amounts from the general fund to the highway account, including \$90 billion transferred through the IIJA in FY2021.²⁹ As discussed in "Types of Highway Funding," for some of the funding in the IIJA, Congress bypassed the Highway Trust Fund and provided direct funding from the general fund in the form of multiyear advance appropriations.

The Highway Trust Fund was initially established in part to ensure that highways had a dedicated source of funding.³⁰ By using the general fund to fund highways, Congress would effectively fund the highways from the same account from which most other programs and activities derive funding. As a result, the highway program would directly compete with other congressional priorities. Research suggests instability or uncertainty in federal highway funding can lead to higher costs and project delays.³¹

The fuel taxes are often described as "user fees" because the amount a driver pays in taxes roughly scales to the distance driven, although the relationship between miles driven and gallons of gas consumed is imperfect, given the variance in fuel efficiency among different cars. Reliance on the general fund would weaken or eliminate the principle in highway funding that the entities using the highways are also funding the highway programs.

Highway Trust Fund spending has a split budgetary classification.³² Thus, programs funded through the Highway Trust Fund generally are not subject to the budgetary processes that control spending for most other programs. If Congress were to fund highway programs through the general fund, highway funding may be subject to certain reductions, such as across-the-board cuts or statutory caps on discretionary budget authority.

²⁷ In 2014, the Secretary of Transportation wrote to the directors of the state departments of transportation and described "cash management procedures to be undertaken by the Federal Highway Administration in the event of a shortfall." See Letter from Anthony R. Foxx, Secretary of Transportation, to John R. Cooper, Alabama Transportation Director, July 1, 2014, <https://www.transportation.gov/sites/dot.gov/files/docs/State-DOT-Letter-July-1-2014.pdf>.

²⁸ See "Byrd Test," in FHWA, *Funding Federal-Aid Highways*, pp. 47-48.

²⁹ See **Table A-2**.

³⁰ FHWA, *Financing Federal-Aid Highways*, FHWA-PL-99-015, May 31, 2022 (archived), <https://www.fhwa.dot.gov/reports/fifahiwy/fifahi05.htm>.

³¹ NASEM, *NCHRP Report: Federal Funding Uncertainty in State, Local, and Regional Departments of Transportation*, p. 62.

³² For information about the split budgetary classification for programs funded through the Highway Trust Fund, see **Appendix B**.

Raise Revenue

Congress could address the disparity between Highway Trust Fund revenues and expenditures by increasing the value of the revenues dedicated for the fund or establishing additional funding mechanisms.

Increase Existing Taxes

One option to raise revenue for the Highway Trust Fund is to increase the existing taxes dedicated to the fund, such as the gasoline or diesel tax. The fuel taxes are not tied to inflation, and so the purchasing power of the taxes declines over time. Congress may consider tying the fuel taxes to some measure of inflation or a specified cost index.

Proposals since 1993 to increase existing fuel taxes have been unsuccessful. For example, in the early 2000s, “congressional efforts to develop a 6-year program that included a 2-cent indexed increase to the gas tax following the expiration of TEA-21 garnered little support.”³³ While negotiating the IJIA, some Members of Congress proposed increasing the gasoline tax, but the enacted legislation did not include any such provision.³⁴ Some opponents of fuel tax increases argue that such increases depress consumer and business spending, are regressive, and affect rural areas disproportionately.³⁵

In addition, several of the transportation-related excise taxes are set to expire or be reduced at the end of FY2028. For example, the gasoline and diesel taxes each are to be reduced from 18.30 cents per gallon and 24.30 cents per gallon, respectively, to 4.30 cents per gallon. (See **Table A-1** for information about the other transportation-related excise taxes.) Should Congress not extend the expiration and reduction dates for these taxes, revenue for the Highway Trust Fund would likely decline more quickly.

Alternatives to the Fuel Taxes

Should hybrid and electric cars make up a greater share of the vehicle fleet, then gasoline and diesel purchases are likely to decline, undercutting Highway Trust Fund revenue. In this case, the tax burden of highway funding would increasingly fall on a diminishing percentage of drivers who use internal combustion engine vehicles.³⁶ To address the issue, Congress could consider raising revenues via a new tax on electric vehicles and hybrid vehicles. Congress could also replace the fuel taxes with an alternative tax or taxes on all vehicles regardless of fuel type.

Such taxes could take many forms, such as a vehicle miles traveled (VMT) tax, an annual tax on vehicles (such as a registration tax), a tax on EV charging, or a tax on EV manufacturers and importers. Each of these approaches has benefits and drawbacks. For a discussion of these options, see CRS In Focus IF13064, *Electric Vehicle Taxes and the Federal Highway Trust Fund*, by Nicholas E. Buffie, Anthony A. Cilluffo, and Ali E. Lohman.

³³ NASEM, *NCHRP Report: Federal Funding Uncertainty in State, Local, and Regional Departments of Transportation*, p. 20.

³⁴ Congressional Digest, “Pros and Cons of Raising the Gas Tax,” September 1, 2021, <https://congressionaldigest.com/pros-and-cons-of-raising-the-gas-tax/>.

³⁵ CRS Report R40808, *The Role of Federal Gasoline Excise Taxes in Public Policy*, by Robert Pirog (archived).

³⁶ A similar effect would occur should vehicles become more fuel efficient, where the tax burden would increasingly fall on drivers with less-efficient vehicles.

Toll Federal-Aid Highways

In general, federal law bans tolling on roads that receive federal funds,³⁷ although Congress has created some exceptions to this ban.³⁸ Congress could eliminate the ban on tolling federal-aid highways or expand exceptions to the ban. Congress could also encourage states and local governments to impose tolls for use of federal-aid highways or a portion of federal-aid highways. Revenue from tolling projects generally does not accrue to the federal government, so an expansion of existing tolling on its own would not replenish the highway account. Congress could consider changing the allocation of tolling revenue or shifting more responsibility for funding highways to state and local governments.

Some publicly owned toll roads have been financially successful, but others have struggled. To be financially successful, a toll road must have sufficient traffic and drivers willing to pay a high-enough toll to cover construction, maintenance, and toll collection costs. Many federal-aid highways are rural or have low traffic volumes; those would be unlikely to generate sufficient toll revenue to make the facilities self-sustaining. Tolling may be more financially viable as a mechanism to raise revenue on higher-traffic roads.

Reduce Expenditures

Congress could address the disparity between Highway Trust Fund revenues and expenditures by reducing expenditures. For example, Congress could eliminate some of the existing federal highway programs, reduce funding for certain programs, or reduce funding for all programs. Pursuing the options discussed below might lead to an overall reduction in investment in highway infrastructure if states and localities were unable or unwilling to provide additional funds. In 2023, federal government spending accounted for 22.53% of total government spending on highways.³⁹

Eliminate or Reduce Funding for Existing Highway Programs

Congress could reduce expenditures by eliminating or reducing funding for some of the existing highway programs. Eliminating programs does not necessarily reduce spending. For example, MAP-21 (P.L. 112-141) reduced the number of federal highway programs by roughly two-thirds, but (as illustrated in **Figure 1**) average annual highway authorizations under MAP-21 were roughly similar to those under SAFETEA, the preceding surface transportation authorization act. For a discussion of how highway programs have changed under previous surface transportation authorization acts, see “Federal-Aid Highway Formula and Competitive Discretionary Programs,” below.

³⁷ “Except as provided in section 129 of this title with respect to certain toll bridges and toll tunnels, all highways constructed under the provisions of this title shall be free from tolls of all kinds.” 23 U.S.C. §301.

³⁸ Exceptions include use of federal funds to construct new toll highways, reconstruct or restore existing toll highways, convert a toll-free non-Interstate Highway System (IHS) highway to a toll highway as part of reconstruction or replacement, and convert some lanes of IHS highway to high occupancy vehicle (HOV) lanes. Congress also created the Congestion Relief Program and the Value Pricing Pilot Program, both of which allow for tolling, HOV lanes, or congestion pricing on Interstate and other federal-aid highways.

³⁹ CRS calculations based on CBO data. See the data underlying exhibits at CBO, *Public Spending on Transportation and Water Infrastructure, 1956 to 2023*, February 26, 2025, <https://www.cbo.gov/publication/60874#data>.

Devote Highway Trust Fund Revenue Exclusively to Highways

The mass transit account typically receives between 12% and 14% of the Highway Trust Fund’s annual revenue.⁴⁰ If current revenue and expenditure trends were to continue, the highway account balance would approach zero in FY2028. The balance of the mass transit account is projected to approach zero in FY2027.

Congress could eliminate the mass transit account and dedicate its portion of the revenue to the highway account, thereby increasing funding for highways. However, if all Highway Trust Fund revenue were dedicated to highways, this would likely delay the shortfall by one year, if at all. By FY2029, CBO projects that total revenue for the Highway Trust Fund, including the highway account and the mass transit account, will be about \$49 billion and spending on highways about \$65 billion.⁴¹

If Congress eliminated the mass transit account, it could reduce federal funding for public transportation. Alternatively, Congress could maintain or increase funding for public transportation through annual appropriations or multiyear advance appropriations. If Congress reduced federal funding for public transportation, it might lead to an overall reduction in investment in public transportation if states and localities were unable or unwilling to provide additional funds.⁴²

Reduce the Federal Share for Highway Projects

Congress could link a reduction in spending to a shift in the distribution of responsibility between the federal government and states for funding highway projects. Today, most projects on the Interstate Highway System receive a maximum of 90% of funding from the federal government; for projects on other eligible roads, the maximum federal share is generally 80%.⁴³ Prior to the 1950s, the federal share for most highway projects was 50%.⁴⁴

A reduction in the federal share would lower the expenditures from the Highway Trust Fund and require greater matching funding from state and local governments. As discussed above, reducing the federal share might lead to an overall reduction in investment in highway infrastructure if states and localities were unable or unwilling to provide additional funds.

Devolve the Federal-Aid Highway Program to States

“Devolution,” in this report, means to shift most current federal responsibility for building and maintaining highways from the federal government to states. Surface transportation devolution proposals generally have certain characteristics in common: they would reduce or eliminate

⁴⁰ CRS calculations based on Table FE-210 Status of the Highway Trust Fund: Fiscal Years 1957-2024, from FHWA, “Highway Statistics Series: Highway Statistics 2024,” updated October 2025, <https://www.fhwa.dot.gov/policyinformation/statistics/2024/fe210.cfm>.

⁴¹ CBO, *Baseline Projections: Highway Trust Fund Accounts*.

⁴² For more information about federal funding for public transportation, see CRS Report R47002, *Federal Public Transportation Program: In Brief*, by William J. Mallett.

⁴³ States also are subject to a “sliding scale” that can increase the maximum federal cost share based on the percentage of land in the state owned by the federal government. Certain other factors can raise the maximum federal cost share. Certain programs may have specific requirements related to federal cost share. States have the option to accept less than the statutorily established federal cost share. See 23 U.S.C. §§120(a), (b), and (h); and FHWA, *Sliding Scale Rates In Public Land States*, N 4540.12, March 17, 1992, <https://www.fhwa.dot.gov/legisregs/directives/notices/n4540-12.cfm>.

⁴⁴ Richard F. Weingroff, *Creation of a Landmark: The Federal Aid Road Act of 1916*, FHWA, accessed March 19, 2025, p. 46, <https://highways.dot.gov/sites/fhwa.dot.gov/files/landmark.pdf>.

existing federal programs, reduce the federal taxes on motor fuels, and have states provide replacement funding for highway purposes if they seek to do so. Most devolution proposals would retain existing federal programs to maintain roads on federal lands, fund transportation research, and provide relief to rebuild roads and bridges damaged in natural disasters.⁴⁵

Federal-Aid Highway Formula and Competitive Discretionary Programs

FHWA administers more than 30 federal highway programs, and highway projects are also eligible for funding under multimodal programs administered by other DOT agencies.⁴⁶ This report focuses on (1) the formula programs (also known as apportionment programs), especially the core formula programs and the two new formula programs funded through multiyear advance appropriations, and (2) the competitive discretionary grant programs.⁴⁷

The authorizing language for each federal highway program establishes what activities are eligible for funding under that program. Some highway programs have a broad range of eligible activities, and others are more narrowly focused. The authorizing language may include other requirements, such as the type of highway on which the project is located,⁴⁸ the geographic location,⁴⁹ and minimum or maximum project costs.⁵⁰ One project may meet the eligibility requirements for multiple programs.

Formula Programs

For the formula programs,⁵¹ FHWA apportions funds to states by formula at the beginning of each fiscal year.⁵² State departments of transportation largely determine which projects receive formula funds, enter into contracts, and oversee project development and construction.

Most federal highway funding is distributed to states by formula. Under the IIJA, the formula programs account for roughly 90% of funding from the Highway Trust Fund, similar to the

⁴⁵ For a discussion of issues related to devolution, see CRS Report R44811, *Surface Transportation Devolution: Shifting Responsibility to States and Localities*, by William J. Mallett.

⁴⁶ The White House (Biden Administration), *A Guide to the Bipartisan Infrastructure Law for State, Local, Tribal, and Territorial Governments, and Other Partners*, May 2022, pp. 14-54, archived at <https://web.archive.org/web/20250117150650/https://www.whitehouse.gov/wp-content/uploads/2022/05/BUILDING-A-BETTER-AMERICA-V2.pdf>.

⁴⁷ Other federal highway programs include but are not limited to federal lands and tribal transportation programs, transportation research programs, the TIFIA loan program, and the Emergency Relief Program.

⁴⁸ For example, under some programs, projects must be located on the National Highway System or the National Highway Freight Network.

⁴⁹ For example, at an international border, in a national scenic area, or in a rural area. In some cases, a portion of the program funds may be available only for projects in a certain geographic area.

⁵⁰ In some cases, a portion of the program funds may be available only for projects of a certain size. For example, see the INFRA Grant Program at 23 U.S.C. §§117(e) and (q)(5)(A).

⁵¹ This report focuses on the core formula programs (see “Core Formula Programs”) and the two multiyear advance appropriations formula programs (see “Formula Programs Funded Through Multiyear Advance Appropriations”). Other highway formula programs include the Appalachian Development Highway System Program; Construction of Ferry Boats and Ferry Terminal Facilities Program; Federal Lands Access Program; Federal Lands Transportation Program; Puerto Rico Highway Program; Territorial Highway Program; and Tribal Transportation Program.

⁵² For data on how much funding FHWA apportioned to each state in FY2025, see FHWA Notice N4510.892, *Apportionment of Federal-Aid Highway Program Funds for Fiscal Year 2025*, October 1, 2024, <https://highways.dot.gov/sites/fhwa.dot.gov/files/n4510892.pdf>.

percentage of formula funding under MAP-21 and the FAST Act. Unlike MAP-21 and the FAST Act, the IIJA included multiyear advance appropriations; of the multiyear advance appropriations, the formula programs account for 72%. Because of the multiyear advance appropriations, the discretionary programs, including the competitive discretionary grant programs, received a higher proportion of highway funding under IIJA than under previous surface transportation authorization acts.⁵³

Core Formula Programs

Under MAP-21, Congress restructured and consolidated the previously existing formula and discretionary programs, which reduced the number of programs by roughly two-thirds. Congress established six “core” formula programs:⁵⁴

- The National Highway Performance Program (NHPP; 23 U.S.C. §119) supports improvement of the condition and performance of the National Highway System, which includes the Interstate Highway System and virtually all other major highways. NHPP funds projects to achieve national performance goals consistent with state and metropolitan planning.⁵⁵
- The Surface Transportation Block Grant Program (STBG; 23 U.S.C. §133) has broader eligibility criteria than the other highway formula programs. Funds can be used on any federal-aid highway and for bridge projects on any public road, as well as on public transportation projects. Of each year’s allocation, a state is to suballocate 55% to areas within the state on the basis of population. States are to set aside a further 10% for bicycle paths, walkways, and other transportation alternatives.⁵⁶
- The Highway Safety Improvement Program (HSIP; 23 U.S.C. §148) supports projects that improve the safety of road infrastructure by correcting hazardous road locations, such as dangerous intersections, or making road improvements, such as adding striping or rumble strips.⁵⁷
- The Congestion Mitigation and Air Quality Improvement Program (CMAQ; 23 U.S.C. §149) funds projects and programs that may reduce the emission of transportation-related air pollutants.⁵⁸
- The Metropolitan Planning Program (MPP; 23 U.S.C. §134) establishes a cooperative framework for making transportation investment decisions in metropolitan areas. The program funds metropolitan planning organizations (MPOs) and planning activities.
- The Rail-Highway Crossing Program (RHCP; 23 U.S.C. §130) funds projects to improve safety at at-grade crossings between rail and highway infrastructure,

⁵³ DOT, “FHWA on the Bipartisan Infrastructure Law,” YouTube video, December 10, 2021, <https://youtu.be/IIEd6Rw8BcQ?feature=shared&t=1121>.

⁵⁴ FHWA, *Moving Ahead for Progress in the 21st Century Act (MAP-21)*.

⁵⁵ FHWA, “National Highway Performance Program (NHPP),” updated March 6, 2025, <https://www.fhwa.dot.gov/specialfunding/nhpp/>.

⁵⁶ FHWA, “Surface Transportation Block Grant Program (STBG),” updated March 6, 2025, <https://www.fhwa.dot.gov/specialfunding/stp/>.

⁵⁷ FHWA, “Highway Safety Improvement Program (HSIP),” updated October 7, 2025, <https://highways.dot.gov/safety/hsip>.

⁵⁸ FHWA, “Congestion Mitigation and Air Quality Improvement (CMAQ) Program,” updated November 5, 2025, https://www.fhwa.dot.gov/ENVIRONMENT/air_quality/cmaq/.

such as by installing protective devices or relocating a road to eliminate the crossing.⁵⁹

The FAST Act created another core formula program:

- The National Highway Freight Program (NHFP; 23 U.S.C. §167) provides funds to help states and MPOs remove impediments to the movement of goods.⁶⁰

The IIJA created two more core formula programs:

- The Carbon Reduction Program (CRP; 23 U.S.C. §175) funds projects to reduce carbon dioxide emissions from motor vehicles, such as traffic monitoring and management, bike and pedestrian paths, truck stop electrification, and public transportation. Sixty-five percent of CRP funds are suballocated within urbanized areas of each state based on population.⁶¹
- The Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Formula Program (PROTECT Formula; 23 U.S.C. §176) supports projects to improve the resilience of transportation infrastructure and provide evacuation routes in the event of a disaster.⁶²

The nine core formula programs are funded by authorizations from the Highway Trust Fund. Title 23, Section 104, of the *U.S. Code* establishes the formula by which these funds are distributed between states and divided among the programs.⁶³ Prior to MAP-21, the formula programs used a variety of formulas that took into account factors such as each state's share of the national land area, population, road mileage, lane miles, and VMT. Since MAP-21, the core formula programs use a single formula that preserves each state's share of the funds in a certain fiscal year: FY2009 under MAP-21, FY2015 under the FAST Act, and FY2021 under the IIJA.⁶⁴ Per the core formula, FHWA adjusts the shares every year to guarantee each state receives

- at least 95% of the state's estimated highway tax payments to the highway account of the Highway Trust Fund based on the most recent fiscal year for which data are available;
- at least 2% greater than the state's apportionment for FY2021; and
- at least 1% greater than the state's apportionment for the previous fiscal year.⁶⁵

Table 3 shows the funding authorized for each program from FY2021 to FY2026.

⁵⁹ FHWA, "Railway Highway Crossing Program: Policy and Guidance," updated December 3, 2025, <https://highways.dot.gov/safety/hsip/xings/policy-and-guidance>.

⁶⁰ FHWA, *Moving Ahead for Progress in the 21st Century Act (MAP-21)*.

⁶¹ FHWA, Carbon Reduction Program, "CRP Program Overview," updated May 21, 2025, <https://www.fhwa.dot.gov/environment/crp/>.

⁶² FHWA, "Fact Sheet: Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Formula Program," updated September 10, 2025, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/protect_fact_sheet.cfm.

⁶³ For more information about the highway funding formula, see CRS Report R47922, *The Highway Funding Formula: History and Current Status Under the Infrastructure Investment and Jobs Act*, by William J. Mallett.

⁶⁴ P.L. 112-141, §1105(a); P.L. 114-94, §1104(c); and P.L. 117-58, §11104(c)(1)(B)(ii).

⁶⁵ For more information about the highway funding formula, see CRS Report R47922, *The Highway Funding Formula: History and Current Status Under the Infrastructure Investment and Jobs Act*, by William J. Mallett.

Table 3. Core Highway Formula Program Authorizations, FY2021-FY2026
nominal dollars in millions

Program	FAST Act Extension	IIJA					IIJA Total
	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	
National Highway Performance Program (NHPP)	24,239	28,439	29,008	29,588	30,180	30,784	148,000
Surface Transportation Block Grant Program (STBG)	12,139	13,835	14,112	14,394	14,682	14,976	72,000
Highway Safety Improvement Program (HSIP)	2,407	2,980	3,044	3,110	3,177	3,246	15,557
Congestion Mitigation & Air Quality Improvement Program (CMAQ)	2,494	2,536	2,587	2,639	2,692	2,746	13,200
National Highway Freight Program (NHFP)	1,487	1,374	1,401	1,429	1,458	1,487	7,150
Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation Formula Program (PROTECT Formula)	N/A	1,402	1,430	1,459	1,489	1,518	7,299
Carbon Reduction Program (CRP)	N/A	1,234	1,258	1,283	1,309	1,335	6,419
Metropolitan Planning Program (MPP)	358	438	447	456	465	474	2,280
Rail-Highway Crossings Program (RHCP)	245	245	245	245	245	245	1,225
Total	42,766	51,800	52,840	53,902	54,987	56,092	273,130

Source: Compiled by CRS using Table I from FHWA Notice N4510.85, *FY 2021 Federal-Aid Highway Program Apportionments Under the Continuing Appropriations Act, 2021 and Other Extensions Act*, March 4, 2021, https://www.fhwa.dot.gov/legisregs/directives/notices/n4510853/n4510853_t1.cfm; and FHWA, *Highway Authorizations Under the Infrastructure Investment and Jobs Act* (P.L. 117-58), November 30, 2021, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/docs/highway_authorizations_nov302021.pdf.

Notes: FAST Act = Fixing America's Surface Transportation Act (P.L. 114-94) and IIJA = Infrastructure Investment and Jobs Act (P.L. 117-58). Rows and columns may not add to totals shown because of rounding.

Title 23, Section 126, of the *U.S. Code* permits states to transfer funds between the following core formula programs: NHPP, STBG, HSIP, CMAQ, NHFP, CRP, and the PROTECT Formula Program. States may transfer up to 50% of the funds apportioned to each program in a fiscal year, and Congress has placed restrictions on the transferability of certain formula program funds.⁶⁶

⁶⁶ For example, Congress requires that 55% of a state's STBG funding be allocated to projects in specified locations based on population, often referred to as "suballocation" (23 U.S.C. §133(d)). States must also set aside 10% for transportation alternatives (23 U.S.C. §133(h)). 23 U.S.C. §126 prohibits transfer of suballocated STBG funds and restricts transfer of funds set aside for transportation alternatives. An FHWA table shows which apportioned funds are (continued...)

According to a 2022 report published through the National Cooperative Highway Research Program, from FY2013 to FY2020 all states and the District of Columbia transferred almost \$25 billion between formula programs, and \$21 billion was transferred into STBG, which has broader eligibility criteria than the other formula programs.⁶⁷

Formula Programs Funded Through Multiyear Advance Appropriations

The IIJA created two more formula programs that are funded through multiyear advance appropriations from the general fund:

1. The Bridge Formula Program (BFP) provides funding to replace, rehabilitate, preserve, protect, and construct highway bridges.⁶⁸
2. The National Electric Vehicle Infrastructure Formula Program (NEVI) funds the installation of publicly accessible EV charging infrastructure.⁶⁹

Table 4 shows the funding appropriated for BFP and NEVI from FY2022 to FY2026.

Table 4. Multiyear Advance Appropriations for Highway Formula Programs Under the Infrastructure Investment and Jobs Act (P.L. 117-58)

nominal dollars in millions

Program	FY2022	FY2023	FY2024	FY2025	FY2026	Total
Bridge Formula Program (BFP)	5,500	5,500	5,500	5,500	5,500	27,500
National Electric Vehicle Infrastructure Formula Program (NEVI)	1,000	1,000	1,000	1,000	1,000	5,000
Total	6,500	6,500	6,500	6,500	6,500	32,500

Source: Compiled by CRS using FHWA, *Highway Authorizations Under the Infrastructure Investment and Jobs Act* (P.L. 117-58), November 30, 2021, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/docs/highway_authorizations_nov302021.pdf.

Notes: The Consolidated Appropriations Act, 2026 (P.L. 119-75), transferred roughly \$879 million from the NEVI Program to other programs. For more information, see the section “Program Implementation and Funding Changes.”

Unlike the core formula programs, the BFP has a separate formula determining how funds are divided between states. The BFP formulas are based on each state’s relative cost to replace poor-condition bridges and rehabilitate fair-condition bridges relative to the national total. The NEVI formula relies on the same base apportionment as the core formula programs, with adjustments to provide funding for Puerto Rico and the territories.

eligible for transfer to other formula programs (FHWA, “Transferability of Apportioned Program Funding Under 23 U.S.C. 126,” accessed August 7, 2025, https://www.fhwa.dot.gov/cfo/23usc126_transferability.cfm).

⁶⁷ “Funding Transfer Among Federal-Aid Highway Program Categories,” in NASEM, *NCHRP Research Report 1023: Federal Funding Flexibility: Use of Federal-Aid Highway Fund Transfers by State DOTs* (The National Academies Press: 2022), pp. 19-31, <https://nap.nationalacademies.org/read/26696/chapter/6>.

⁶⁸ FHWA, “Fact Sheet: Bridge Formula Program (BFP),” updated September 10, 2025, <https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/bfp.cfm>.

⁶⁹ See the section “Program Implementation and Funding Changes” and footnote 105 for information about the suspension of funding for this program. For general information about the program, see FHWA, National Electric Vehicle Infrastructure (NEVI) Program,” updated August 14, 2025, <https://www.fhwa.dot.gov/environment/nevi/>.

Competitive Discretionary Grant Programs

For the competitive discretionary grant programs, an agency, usually FHWA,⁷⁰ selects a recipient through a competitive process. Competitive discretionary grant award amounts are based on the requested funding in successful applications.⁷¹ While state departments of transportation are the primary recipients of the formula grants, the competitive discretionary grants can be awarded to a wider range of recipients, including but not limited to states; political subdivisions of a state; local governments; MPOs; regional transportation planning organizations; special purpose districts or public authorities with a transportation function; U.S. territories; tribal governments; federal land management agencies; multistate corridor organizations; and nonprofits.⁷²

For consistency, this section addresses only programs included in FHWA's funding tables for highway funding under MAP-21, the FAST Act, and the IIJA.⁷³ These tables informed the analysis of funding levels in "Highway Program Funding Level." These funding tables include programs administered by FHWA. They also include some programs that provide funding for highway projects (among other modes) that are administered by the Office of the Secretary of Transportation (OST), such as the Rural Surface Transportation Grant Program and the Reconnecting Communities Pilot Program (see below); they do not include others, such as the Safe Streets and Roads for All Program.⁷⁴

Program Changes Under Previous Surface Transportation Authorization Acts

Prior to MAP-21, which was enacted in FY2012, fewer discretionary highway grant programs were competitive. While the awarding agency was granted discretion to select grant recipients, for many of the highway programs, Congress established criteria for some or all of the recipients. For example, in SAFETEA, the Nonmotorized Transportation Pilot Program (NTPP) required that the Secretary of Transportation "establish and carry out a nonmotorized transportation pilot program" in four communities identified in the act: (1) Columbia, MO; (2) Marin County, CA; (3) Minneapolis-St. Paul, MN; and (4) Sheboygan County, WI.⁷⁵ Under SAFETEA, Congress also established the competitive Projects of National and Regional Significance (PNRS) Program to provide funding to high-cost projects deemed to be of national or regional importance. SAFETEA

⁷⁰ While some competitive discretionary grant programs exclusively fund highway projects, other multimodal transportation grant programs fund highway projects in addition to projects focused on other modes of transportation, such as transit, maritime, or rail. FHWA administers most competitive highway grant programs. The competitive multimodal grant programs may be administered by other divisions within DOT, such as the Office of the Secretary of Transportation or the Federal Railroad Administration.

⁷¹ CRS Report R47928, *Considerations for Creating a New Federal Grant Program: In Brief*, by Adam G. Levin.

⁷² In some cases, one entity is the primary applicant, while another entity, such as a local government, may be a sub-applicant to the primary applicant.

⁷³ FHWA, *Highway Authorizations: Moving Ahead for Progress in the 21st Century Act (MAP-21)*, July 2, 2012, <https://www.fhwa.dot.gov/map21/docs/hamap21.pdf>; FHWA, *Federal-Aid Highway Program Authorizations Under the Fixing America's Surface Transportation (FAST) Act*, accessed August 5, 2025, <https://www.fhwa.dot.gov/fastact/estfy20162020auth.pdf>; and FHWA, *Highway Authorizations Under the Infrastructure Investment and Jobs Act (P.L. 117-58)*, November 30, 2021, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/docs/highway_authorizations_nov302021.pdf.

⁷⁴ The Safe Streets and Roads for All Program (SS4A; §24112 of IIJA) funds local initiatives to prevent death and serious injury on roads and streets. The program is funded at \$1 billion per year through multiyear advance appropriations from the Treasury's General Fund. §24112(f)(1) authorized an additional average of \$200 million per year subject to appropriations. For more information, see DOT, "Safe Streets and Roads for All (SS4A) Grant Program," updated December 4, 2025, <https://www.transportation.gov/grants/SS4A>.

⁷⁵ P.L. 109-59, §1807(a); FHWA, "Bicycle and Pedestrian Program: Nonmotorized Transportation Pilot Program," updated June 22, 2025, https://www.fhwa.dot.gov/environment/bicycle_pedestrian/ntpp/.

required the Secretary of Transportation to set aside between 10% and 25% of annual program funds between FY2005 and FY2009 to carry out specific projects identified in the law.⁷⁶ Congress provided funding to the PNRS Program equal to what was required to fund the designated projects, with no additional funding for competitive awards.⁷⁷

MAP-21

MAP-21 eliminated nearly all the preexisting discretionary highway programs.⁷⁸ The eliminated discretionary programs included congressionally directed programs, such as the NTPP, the National Corridor Infrastructure Improvement Program,⁷⁹ and the Transportation Improvements Program.⁸⁰ The eliminated programs also included competitive programs, such as the Highways for LIFE Pilot Program,⁸¹ the National Historic Covered Bridge Preservation Program,⁸² the Transportation, Community, and System Preservation Program,⁸³ and the Truck Parking Facilities Program.⁸⁴ Many of the activities that had been eligible under the eliminated discretionary programs were absorbed into the formula programs.

MAP-21 created a new competitive grant program, the Tribal High Priority Projects Program (MAP-21, §1123), a set-aside within the Tribal Transportation Program, to provide funding for high-priority or emergency projects on tribal transportation facilities.⁸⁵

⁷⁶ P.L. 109-59, §1301(m). For more information about the Projects of National and Regional Significance Program, see FHWA, “Fact Sheet: Projects of National and Regional Significance,” May 10, 2025, <https://www.fhwa.dot.gov/safetealu/factsheets/natregl.htm>; and FHWA, “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Sections 1301 (Projects of National and Regional Significance),” January 4, 2006, https://ops.fhwa.dot.gov/Freight/safetea_lu/sec1301_02_06_faq.htm.

⁷⁷ Eno Center for Transportation, *How We Pay for the Transportation: The Life and Death of the Highway Trust Fund*, December 2014, p. 20, <https://www.ibtta.org/sites/default/files/documents/MAF/ENO%20How%20We%20Pay%20for%20Transportation.pdf>.

⁷⁸ FHWA, *Moving Ahead for Progress in the 21st Century Act (MAP-21)*.

⁷⁹ FHWA, “Fact Sheet: National Corridor Infrastructure Improvement Program,” accessed May 10, 2025, <https://www.fhwa.dot.gov/safetealu/factsheets/corridors.htm>; and FHWA, “High Priority Corridors,” February 5, 2020, https://www.fhwa.dot.gov/planning/national_highway_system/high_priority_corridors/.

⁸⁰ FHWA, “Fact Sheet: Transportation Improvements Program,” accessed May 10, 2025, <https://www.fhwa.dot.gov/safetealu/factsheets/transimp.htm>.

⁸¹ FHWA, “Fact Sheet: Highways for LIFE Pilot Program,” accessed May 1, 2025, <https://www.fhwa.dot.gov/safetealu/factsheets/highways4life.htm>; and FHWA, *Harnessing the Power of Innovation to Improve America’s Driving Experience: Report on the Highways for LIFE Program*, FHWA-HIF-12-040, accessed May 1, 2025, https://www.fhwa.dot.gov/hfl/resources/final_report.pdf.

⁸² FHWA, “Fact Sheet: National Historic Covered Bridge Preservation,” accessed May 10, 2025, <https://www.fhwa.dot.gov/safetealu/factsheets/histcovbridges.htm>; and FHWA, “Fact Sheet: National Historic Covered Bridge Preservation Program,” July 22, 2019, <https://www.fhwa.dot.gov/bridge/covered.cfm>.

⁸³ FHWA, “Fact Sheet: Transportation, Community, and System Preservation (TCSP) Program,” accessed May 10, 2025, <https://www.fhwa.dot.gov/safetealu/factsheets/tcsp.htm>.

⁸⁴ FHWA, “Fact Sheet: Truck Parking Facilities,” accessed May 10, 2025, <https://www.fhwa.dot.gov/safetealu/factsheets/truckpark.htm>.

⁸⁵ P.L. 112-141, §1123; For more information about the Tribal High Priority Projects Program, see FHWA, “Fact Sheet: Tribal High Priority Projects Program,” September 12, 2013, <https://www.fhwa.dot.gov/map21/factsheets/thpp.cfm>.

FAST Act

The FAST Act established several new competitive grant programs,⁸⁶ such as those described below:

- The Nationally Significant Freight and Highway Projects Grant Program (known as INFRA; 23 U.S.C. §117) (§1105) is a multimodal program that provides funding to projects to improve freight movement.⁸⁷
- The Nationally Significant Federal Lands and Tribal Projects Program (§1123) is a multimodal program that provides funding for a variety of transportation projects on federal or tribal lands.⁸⁸
- The Surface Transportation System Funding Alternatives Program (STSFA; §6020) funded projects that demonstrated user-based alternatives to the federal fuel taxes.⁸⁹
- The Advanced Transportation and Congestion Management Technologies Deployment Program (23 U.S.C. §503(c)(4)) (§6004) funded “development of model deployment sites for large scale installation and operation of advanced transportation technologies to improve safety, efficiency, system performance, and infrastructure return on investment.”⁹⁰ This program now known as the Advanced Transportation Technologies and Innovative Mobility Deployment Program, also called ATTAIN.⁹¹

IIJA

The IIJA continued some of the competitive grant programs established under the FAST Act and created new ones. Below are examples of new competitive discretionary grant programs established in the IIJA:

- The Bridge Investment Program (BIP; 23 U.S.C. §124) (§11118) funds projects to replace, rehabilitate, preserve, or protect bridges in the National Bridge Inventory. The program is funded at an annual average of \$2.5 billion through the Highway Trust Fund and multiyear advance appropriations from the general

⁸⁶ CRS Report R44388, *Surface Transportation Funding and Programs Under the Fixing America’s Surface Transportation Act (FAST Act; P.L. 114-94)*, coordinated by Robert S. Kirk (former CRS Specialist in Transportation Policy).

⁸⁷ For general information about this program, see DOT, “The INFRA Grant Program,” updated May 30, 2025, <https://www.transportation.gov/grants/infra-grant-program>. In September 2026, OST reportedly terminated certain grant agreements for INFRA projects. For more information, see Jeff Davis, “DOT Sending Out Wave of Grant Cancellations,” Eno Center for Transportation, September 12, 2025, <https://enotrans.org/article/dot-sending-out-wave-of-grant-cancellations/>.

⁸⁸ FHWA, “Nationally Significant Federal Lands and Tribal Projects (NSFLTP) Program,” updated October 2, 2025, <https://highways.dot.gov/federal-lands/significant>.

⁸⁹ FHWA, “Fact Sheet: Surface Transportation System Funding Alternatives Program,” updated February 8, 2017, <https://www.fhwa.dot.gov/fastact/factsheets/surfttransfundaltfs.cfm>.

⁹⁰ FHWA, “Fact Sheet: Advanced Transportation and Congestion Management Technologies Deployment,” February 8, 2017, <https://www.fhwa.dot.gov/fastact/factsheets/advtrnscngmgmtfs.cfm>.

⁹¹ FHWA, “Fact Sheet: Advanced Transportation Technologies and Innovation,” September 22, 2025, <https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/attain.cfm>; and DOT, *Advanced Transportation Technologies and Innovative Mobility Deployment*, accessed April 22, 2024, <https://www.transportation.gov/rural/grant-toolkit/advanced-transportation-technologies-and-innovative-mobility-deployment>.

- fund. Section 11101(b)(2)(A)(i) of the IIJA authorized an additional average of \$653 million per year subject to appropriation.⁹²
- The Congestion Relief Program (23 U.S.C. §129(d)) (§11404) funds projects that advance innovative integrated and multimodal solutions to congestion relief. The program is funded at \$50 million per year from the Highway Trust Fund.⁹³
 - The Charging and Fueling Infrastructure Discretionary Grant Program (CFI; 23 U.S.C. §151(f)) (§11401) funds contracts with private entities to acquire and install publicly accessible EV, hydrogen, propane, or natural gas charging or fueling infrastructure. This program is funded at an annual average of \$500 million from the Highway Trust Fund.⁹⁴
 - The Rural Surface Transportation Grant Program (23 U.S.C. §173) (§11132) funds projects to improve and expand rural surface transportation infrastructure. The program is funded at an annual average of \$400 million from the Highway Trust Fund.⁹⁵
 - The Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation Discretionary Grant Program (PROTECT; 23 U.S.C. §176(d)) (§11405) is divided into four set-asides for Planning grants, Resilience Improvement grants, Community Resilience and Evacuation routes grants, and At-risk Coastal Infrastructure grants. The program is funded at an annual average of \$280 million from the Highway Trust Fund.⁹⁶
 - The Reduction of Truck Emissions at Port Facilities Program (§11402) funds projects that test, evaluate, and deploy strategies to electrify port operations and reduce truck idling and emissions at port facilities. The program is funded at \$80 million per year: \$50 million annually from the Highway Trust Fund and \$30 million annually from multiyear advance appropriations through the general fund.⁹⁷
 - The Wildlife Crossing Pilot Program (23 U.S.C. §171) (§11123(b)(1)) provides grants for projects intended to reduce wildlife-vehicle collisions or increase

⁹² FHWA, “Bridges and Structures: Bridge Investment Program,” updated September 15, 2025, <https://www.fhwa.dot.gov/bridge/bip/index.cfm>.

⁹³ For information about the Congestion Relief Program, see FHWA, “Fact Sheet: Congestion Relief Program,” September 22, 2025, https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/congestion_relief.cfm. For links to the FY2022-FY2024 Notice of Funding Opportunity and list of project awards, see FHWA, “Infrastructure Investment and Jobs Act (IIJA) under the Federal Highway Administration Office of Operations,” updated February 18, 2025, <https://ops.fhwa.dot.gov/infrastructure-investment-and-jobs-act/index.htm>.

⁹⁴ FHWA, “Charging and Fueling Infrastructure Discretionary Grant Program,” February 24, 2025, <https://www.fhwa.dot.gov/environment/cfi/>.

⁹⁵ DOT, “The Rural Surface Transportation Grant Program,” updated May 30, 2025, <https://www.transportation.gov/grants/rural-surface-transportation-grant-program>.

⁹⁶ FHWA, “PROTECT Discretionary Grant Program,” February 26, 2025, <https://www.fhwa.dot.gov/environment/protect/discretionary/>.

⁹⁷ For information about the Reduction of Truck Emissions at Port Facilities Program, see FHWA, “Fact Sheet: Reduction of Truck Emissions at Port Facilities,” updated September 10, 2025, <https://www.fhwa.dot.gov/infrastructure-investment-and-jobs-act/rtep.cfm>; and for the FY2022-FY2023 project award descriptions, see FHWA “Reduction of Truck Emissions at Port Facilities Grant Program for FY 2022-23 – Project Award Descriptions,” archived on January 21, 2025, <https://web.archive.org/web/20250121004730/https://ops.fhwa.dot.gov/bipartisan-infrastructure-law/RTEPF/2022-23/awards/>.

habitat connectivity. The program is funded at an annual average of \$70 million from the Highway Trust Fund.⁹⁸

- The Prioritization Process Pilot Program (§11204) supports data-driven approaches to planning that allow for an accessible and transparent prioritization process. The program is funded at \$10 million per year from the Highway Trust Fund.⁹⁹
- The Reconnecting Communities Pilot Program (§11509) funds planning and construction grants for removing, retrofitting, or mitigating transportation facilities, such as viaducts or limited access highways, that create barriers to community connectivity. The program is funded at an annual average of \$200 million through multiyear advance appropriations from the general fund.¹⁰⁰

Program Implementation and Funding Changes

Since passage of the IIJA, Congress and executive branch officials have taken actions that affected the funding and implementation of certain highway programs. On January 20, 2025, President Trump issued executive orders requiring federal agencies to terminate or pause certain programs, policies, and activities related to climate change, electric vehicles, and diversity, equity, inclusion, and accessibility.¹⁰¹ On January 29, 2025, the Secretary of Transportation ordered the modal administrations and the Office of the Secretary (OST) to “initiate all lawful actions necessary to rescind, cancel, revoke, and terminate all DOT orders, directives, rules, regulations, notices, guidance documents, funding agreements, programs, policy statements, or portions thereof, which are subject to the relevant executive orders and which are not required by clear and express statutory language.”¹⁰² FHWA and OST removed guidance,¹⁰³ updated requirements,¹⁰⁴ and suspended funding for certain highway programs.¹⁰⁵ In September 2025, OST reportedly

⁹⁸ FHWA, “Wildlife Crossings Pilot Program,” updated October 20, 2025, <https://highways.dot.gov/federal-lands/wildlife-crossings/pilot-program>.

⁹⁹ FHWA, “Prioritization Process Pilot Program Discretionary Grant,” updated October 20, 2025, <https://www.fhwa.dot.gov/planning/pppp/>.

¹⁰⁰ For general information about the program, see DOT, “Reconnecting Communities Pilot (RCP) Grant Program,” accessed April 15, 2025, <https://www.transportation.gov/reconnecting>.

¹⁰¹ Executive Order 14148 of January 20, 2025, “Initial Rescissions of Harmful Executive Orders and Actions,” 90 *Federal Register* 8237, January 28, 2025; Executive Order 14151 of January 20, 2025, “Ending Radical and Wasteful Government DEI Programs and Preferencing,” 90 *Federal Register* 8339, January 29, 2025; Executive Order 14154 of January 20, 2025, “Unleashing American Energy,” 90 *Federal Register* 8353, January 29, 2025; and Executive Order 14168 of January 20, 2025, “Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government,” 90 *Federal Register* 8615, January 30, 2025.

¹⁰² DOT, *Memorandum: Implementation of Executive Orders Addressing Climate Change, Diversity, and Gender*, January 29, 2025, p. 1, https://www.transportation.gov/sites/dot.gov/files/2025-01/Signed%20Secretarial%20Memo_%20Implementation%20of%20Executive%20Orders%20Addressing%20Energy%20Climate%20Change%20Diversity%20and%20Gender.pdf.

¹⁰³ For example, FHWA removed guidance for the Carbon Reduction Program from its website. For an archived version of the Carbon Reduction Program guidance, see FHWA, *Information: Carbon Reduction Program (CRP) Implementation Guidance*, April 21, 2022, https://web.archive.org/web/20250121004920/https://www.fhwa.dot.gov/environment/sustainability/energy/policy/crp_guidance.pdf.

¹⁰⁴ For example, see DOT, “U.S. Transportation Secretary Sean P. Duffy Announces Funding for Communities to Improve Road Safety,” April 1, 2025, <https://www.transportation.gov/briefing-room/us-transportation-secretary-sean-p-duffy-announces-funding-communities-improve-road>.

¹⁰⁵ FHWA canceled previously issued guidance for the National Electric Vehicle Infrastructure Program and suspended obligations for the program. On January 26, 2026, a federal judge ruled that suspending obligations for the program (continued...)

terminated grant agreements under multiple competitive discretionary grant programs.¹⁰⁶ OST cited a federal regulation allowing a federal award to be terminated by the federal agency “pursuant to the terms and conditions of the Federal award, including, to the extent authorized by law, if an award no longer effectuates the program goals or agency priorities.”¹⁰⁷

In February 2026, Congress passed the Consolidated Appropriations Act, 2026 (P.L. 119-75), which includes the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2026 (THUD Act). Among other things, the 2026 THUD Act transfers roughly \$1.5 billion in unobligated funds from certain highway programs and activities (such as the NEVI Program and the Reduction of Truck Emissions at Port Facilities Program) to other highway programs and activities (such as the Tribal Transportation Program, the INFRA Program, and the Reconnecting Communities Program).¹⁰⁸ For the INFRA Program, the Bridge Investment Program, and the PROTECT Formula and Discretionary Programs, the 2026 THUD Act also rescinds unobligated funds that had been made available in FY2023 and makes those funds available in FY2026, extending the period of availability for obligation through FY2031.¹⁰⁹

Considerations for Congress

Congress may discontinue certain existing federal highway programs, maintain the existing programs, and/or create new programs. Congress could also change the requirements for highway programs or change how funding for highways is distributed to the states.

Discontinue Existing Federal-Aid Highway Programs

Congress could discontinue one or more existing federal highway programs, with one potential rationale being that a program no longer aligns with congressional priorities. Another approach could be to eliminate narrowly focused programs that provide funding for activities that are also eligible under a broader program or could be incorporated into a broader program. For example, many of the activities eligible for funding under the programs discontinued in MAP-21 were absorbed into the core formula programs. This approach would not eliminate federal funding for a given activity but would require the recipient of federal funding to choose or balance that activity amid other eligible activities.

Congress could create a broad highway program to provide the recipient with flexibility to select highway projects that are most appropriate for local conditions and priorities. In contrast, a narrow program would ensure recipients spend federal funds on a type of project that Congress has deemed a priority. For example, after the Silver Bridge on the Ohio River collapsed in 1967, Congress established the first stand-alone federal highway bridge funding program, the Special Bridge Replacement Program, a discretionary program.¹¹⁰ Congress later replaced the Special

violated the Administrative Procedure Act. For more information, see GAO, *U.S. Department of Transportation, Federal Highway Administration—Application of the Impoundment Control Act to Memorandum Suspending Approval of State Electric Vehicle Infrastructure Deployment Plans*, B-337137, May 22, 2025, <https://www.gao.gov/products/b-337137>; and Nate Raymond and David Shepardson, “Trump Administration Unlawfully Suspended EV Charger Infrastructure Program, US Judge Rules,” Reuters, January 23, 2026, <https://www.reuters.com/world/trump-administration-unlawfully-suspended-ev-charger-infrastructure-program-us-2026-01-23/>.

¹⁰⁶ Jeff Davis, “DOT Sending Out Wave of Grant Cancellations,” Eno Center for Transportation, September 12, 2025, <https://enotrans.org/article/dot-sending-out-wave-of-grant-cancellations/>.

¹⁰⁷ 23 C.F.R. §200.340(a)(4).

¹⁰⁸ P.L. 119-75, Federal Highway Administration, Highway Infrastructure Programs.

¹⁰⁹ P.L. 119-75, §§125, 126, and 127.

¹¹⁰ P.L. 91-605, §204.

Bridge Replacement Program with the Highway Bridge Replacement and Rehabilitation Program, a formula program. Under MAP-21, Congress discontinued the Highway Bridge Replacement and Rehabilitation Program, but bridges continued to be eligible under other highway programs, such as STBG and NHPP.¹¹¹ Under the IIJA, Congress determined that bridges required more funding than they had received through the broader programs and established two new programs dedicated to bridges: BFP and BIP.

Discontinuation of a program or programs may or may not reduce authorizations from the Highway Trust Fund. As discussed, in MAP-21, Congress reduced the number of highway programs by two-thirds but reduced authorizations from the Highway Trust Fund by an annual average of 1.5% in nominal dollars.

If Congress were to discontinue a program and reduce highway authorizations, the reduction in expenditures from the Highway Trust Fund likely would not be immediate. Once contract authority becomes available for obligation, it remains available for four fiscal years (e.g., funds available in FY2026, the last year of authorizations under the IIJA, could be obligated at the end of FY2029). Once funds are obligated to a specific project, they remain in the Highway Trust Fund until the funding recipient submits a request to FHWA for reimbursement for work completed on the project. Some highway projects are large and complex and can take years to finish. Therefore, recipients may be submitting requests for reimbursement for projects funded by IIJA authorizations years after FY2029.¹¹² In the meantime, Congress may consider additional steps to make good on existing and future highway obligations, such as those discussed in “Highway Trust Fund Insolvency.”

Maintain Existing Federal-Aid Highway Programs

Congress could maintain the existing highway programs. The feasibility of this option may depend on how Congress chooses to fund the highway programs and address the projected insolvency of the Highway Trust Fund. Without a change in revenue or sources of funding, it would not be possible to maintain the existing highway programs at current funding levels.

Congress could maintain the existing programs but reduce funding for some or all programs. If Congress were to reduce funding for certain programs, one approach could be to select programs that are no longer high congressional priorities. Another approach could be to identify the programs with lower demand. For the core formula programs, Congress could assess from which programs the state departments of transportations tend to transfer funds. For the competitive discretionary programs, Congress could review the ratio of funds requested via applications compared with the funds available for award.

Create New Federal-Aid Highway Programs

Congress could create new highway programs. The potential insolvency of the Highway Trust Fund could present challenges for funding new highway programs if Congress does not make other changes to highway program funding. For example, in the IIJA, Congress provided funding for multiple new formula and competitive discretionary grant programs through multiyear advance appropriations, a novel funding mechanism for highway programs.

¹¹¹ For a brief history of federal highway bridge funding, see “Congress and Bridge Policy” in CRS Report R47194, *Highway Bridges: Conditions, Funding Programs, and Issues for Congress*, by Robert S. Kirk and William J. Mallett (Robert S. Kirk is a former CRS Specialist in Transportation Policy).

¹¹² FHWA, *Funding Federal-Aid Highways*, pp. 13-14, 23-24, 37-39.

In the past, Congress created new highway programs, including narrowly focused programs to ensure federal funding is spent on an activity or activities deemed high-priority (see “Discontinue Existing Federal-Aid Highway Programs”). Oftentimes, these activities were also eligible for funding under broader programs but might not have been prioritized by funding recipients. Congress created other new programs, such as the Rural Program and the Reconnecting Communities Pilot Program, to direct funding to specific areas or communities.

Change the Requirements for Existing Highway Programs

Congress could change the requirements for existing highway programs. In the past, Congress has made new activities eligible under a program, created set-asides within a program for certain activities, or narrowed the eligibility requirements for a program. Congress could also change procedural requirements to provide FHWA and other agencies within DOT more or less latitude to set program priorities using agency regulations, guidance, and notices of funding opportunities.

Change the Highway Funding Formula

Certain stakeholders and some Members of Congress have argued that the highway funding formula for the core formula programs is based on outdated information. For example, some Members of Congress from states where the population has increased in the last two decennial censuses have argued that the formula should be updated to account for the changing share of population in each state.¹¹³

If Congress were to revise the highway funding formula, stakeholder groups would likely advocate to include or exclude various factors and weight some factors more heavily than others. For example, for a report published in 2025, the GAO interviewed representatives of state departments of transportation, tribes, MPOs, consultants, and transportation stakeholder associations about variables that could factor into a new highway funding formula or formulas. The interviewees expressed support for 27 variables related to infrastructure condition; freight movement and economic vitality; safety; system reliability; and congestion reduction.¹¹⁴

¹¹³ Office of Representative Greg Stanton, “Stanton, Gonzales Introduce Bipartisan Highway Formula Fairness Act to Allow Rapidly-Growing States Receive Fair Federal Funding,” press release, May 1, 2025, <https://stanton.house.gov/2025/5/stanton-gonzales-introduce-bipartisan-highway-formula-fairness-act-to-allow-rapidly-growing-states-receive-fair-federal-funding>.

¹¹⁴ GAO, *Highway Funding: Information on Variables for Potential New Formula Grant Programs*, GAO-25-107097, May 2025, <https://www.gao.gov/assets/gao-25-107097.pdf>.

Appendix A. Highway Trust Fund Revenue and Transfers from the General Fund

Table A-1. Federal Transportation-Related Excise Taxes Deposited into the Highway Trust Fund as of FY2025

Tax Type	Tax Rate	Statute	Expiration/Reduction Date
Fuel Taxes			
Gasoline and gasohol ^a	18.30 cents per gallon	26 U.S.C. §4081(a)(2)(A)(i)	Reduces to 4.30 cents per gallon after September 30, 2028
Diesel	24.30 cents per gallon	26 U.S.C. §4081(a)(2)(A)(iii)	Reduces to 4.30 cents per gallon after September 30, 2028
Alternative fuels			
General rate for alternative fuels	18.30 cents per gallon	26 U.S.C. §4041(a)(2)(B)(i)	Not applicable (N/A)
Liquefied petroleum gas	18.30 cents per gasoline-equivalent gallon	26 U.S.C. §4041(a)(2)(B)(ii)	N/A
Liquefied natural gas	24.30 cents per gallon diesel-equivalent gallon	26 U.S.C. §4041(a)(2)(B)(iv)	N/A
Methanol from natural gas	9.15 or 11.30 cents per gallon (depending on ethanol content)	26 U.S.C. §4041(m)(1)	Reduces to 2.15 or 4.30 cents per gallon (depending on ethanol content) after September 30, 2028
Compressed natural gas	18.30 cents per gasoline-equivalent gallon	26 U.S.C. §4041(a)(3)	N/A
Other Excise Taxes			
Tires	9.45 cents per each 10 pounds of maximum rated load capacity in excess of 3,500	26 U.S.C. §4071(a)	Expires October 1, 2028
Truck, trailer, and tractor sales	12% of retail sale price	26 U.S.C. §4051(a)(1)	Expires October 1, 2028
Heavy vehicle use			
Vehicles weighing between 55,000 and 75,000 pounds	\$100 per year plus \$22 for each 1,000 pounds in excess of 55,000	26 U.S.C. §4481	Expires October 1, 2029
Vehicles weighing over 75,000	\$550 per year	26 U.S.C. §4481	Expires October 1, 2029

Sources: In addition to the statutes cited above, see 26 U.S.C. §9503(b) and U.S. Department of Transportation (DOT), Federal Highway Administration (FHWA), “Chapter 7: The Highway Trust Fund,” in *Funding Federal-Aid Highways*, FHWA-PL-17-011 January 2017, <https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/07.cfm>.

Notes: Some of the taxes have expiration dates or dates on which the amount of the tax is set to decrease. In previous surface transportation reauthorization acts, Congress extended these expiration/reduction dates.

- a. Gasohol is a blend of gasoline and ethanol, commonly 90% gasoline and 10% ethanol.

Table A-2. Transfers from the General Fund to the Highway Trust Fund

in billions of dollars; reflects sequestration for FY2013 and FY2014

Public Law	Effective Date	Highway Account	Mass Transit Account	Highway Trust Fund Total
P.L. 110-318	Sept. 15, 2008	\$8.017	N/A	\$8.017
P.L. 111-46	Aug. 7, 2009	\$7.000	N/A	\$7.000
P.L. 111-147	Mar. 18, 2010	\$14.700	\$4.800	\$19.500
P.L. 112-141	July 6, 2012			
General Fund	for FY2013	\$5.884	N/A	\$5.884
General Fund	for FY2014	\$9.651	\$2.042	\$11.693
P.L. 113-159	Aug. 8, 2014	\$7.765	\$2.000	\$9.765
P.L. 114-41	July 31, 2015	\$6.068	\$2.000	\$8.068
P.L. 114-94				
General Fund	Dec. 4, 2015	\$51.900	\$18.100	\$70.000
P.L. 116-159	Sept. 25, 2020	\$10.400	\$3.200	\$13.600
P.L. 117-58	Nov. 15, 2021	\$90.000	\$28.000	\$118.000

Source: Public laws as indicated. Sequestration amounts from FHWA.

Note: Transfers are from the Treasury's general fund unless otherwise indicated.

Appendix B. Split Budgetary Classification for Highway Trust Fund Programs

Congressional budgetary procedures distinguish between two types of spending: discretionary and mandatory (or direct) spending. Both types of spending provide statutory authority for agencies to enter into obligations, but they are distinct in most other respects, such as formulation, consideration, and restrictions.¹¹⁵

For most spending, the budget authority and outlays have the same classification. For example, the Congressional Budget Office (CBO) treated the multiyear advance appropriations and budget authority subject to future appropriations in the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) as appropriations legislation.¹¹⁶ As such, the budget authority and outlays in Division J, Title VIII, of the IIJA are classified as discretionary.

In contrast, programs funded through the Highway Trust Fund have a “split budgetary classification”: the budget authority is classified as mandatory, and the outlays are classified as discretionary. Contract authority from the Highway Trust Fund is subject to obligation limitations specified in annual appropriation acts, so CBO accounts for outlays from the Highway Trust Fund when scoring annual appropriations bills rather than when scoring surface transportation reauthorization bills.¹¹⁷ For example, CBO’s analysis of Division A, Title I, of the IIJA, which covers the federal-aid highway programs, provides estimates for increases in budget authority but not in outlays.¹¹⁸

In the 2014 report, *The Highway Trust Fund and the Treatment of Surface Transportation Programs in the Federal Budget*, CBO provides an explanation about the effect of split budgetary classification:

Surface transportation programs funded from the Highway Trust Fund are generally not subject to the processes that control spending for most other programs:

- Spending for mandatory programs is usually subject to certain reductions—mostly across-the-board cuts—under budget rules. However, outlays for the trust fund’s surface transportation programs are not subject to those rules because they are considered discretionary.
- Spending for most discretionary programs is controlled by statutory caps on discretionary budget authority. However, outlays for the trust fund’s surface transportation programs are not constrained by those caps because the budget authority for those programs is considered mandatory.¹¹⁹

¹¹⁵ For more information about discretionary and mandatory spending, see CRS Report WMR10007, *CRS Guide to the Federal Budget Process*, by Drew C. Aherne et al.

¹¹⁶ Congressional Budget Office (CBO), *Cost Estimate: Senate Amendment 2137 to H.R. 3684, the Infrastructure Investment and Jobs Act, as Proposed on August 1, 2021*, August 9, 2021, p. 18, https://www.cbo.gov/system/files/2021-08/hr3684_infrastructure.pdf.

¹¹⁷ CBO, *Cost Estimate: Senate Amendment 2137 to H.R. 3684*, p. 8, note A.

¹¹⁸ CBO, *Cost Estimate: Senate Amendment 2137 to H.R. 3684*, p. 4.

¹¹⁹ CBO, *The Highway Trust Fund and the Treatment of Surface Transportation Programs in the Federal Budget*, June 2014, p. 2, <https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/45416-TransportationScoring.pdf><https://www.cbo.gov/sites/default/files/113th-congress-2013-2014/reports/45416-TransportationScoring.pdf>.

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