



Federal Update

Northeast Minnesota ATP Meeting
November 17, 2014

We all have a stake in **A**  **B**



FY 2014 Federal Update

- ▶ Highway Trust Fund (HTF)
- ▶ HTF & FY 2015 Appropriations
- ▶ MAP-21 Reauthorization Update
- ▶ Other Current Federal Topics



HTF Cashflow

- ▶ Summer of 2014 concern: HTF Highway Account cannot fall below \$4 billion cash reserves. Transit Account cannot fall below \$1 billion.
- ▶ On July 31, 2014, Congress passed a bill that provides a \$10.8 billion HTF “patch”, and a MAP-21 extension until May 2015 (10 months).
- ▶ Funding Sources for the patch:
 - Pension smoothing (changing how employers fund worker pension programs)
 - Extending customs user fees
 - Transferring money from a fund to repair leaking underground fuel storage tanks



HTF Longterm Issues

- ▶ Currently, HTF outlays are \$16 billion/year more than revenues
- ▶ Since 2008, over \$65 billion in general funds have been transferred to keep the HTF solvent
- ▶ Current gas tax revenues cannot support MAP-21 funding levels (\$629 million FHWA funding for FY 2014)
- ▶ Steady loss of the purchasing power of the gas tax due to decreased fuel consumption and inflation
- ▶ No Congressional appetite to increase revenues



FY2015 Appropriations

- ▶ FY 2015 Federal Funding achieved through Continuing Resolutin from October 1 to December 11, 2014 (72 days)
- ▶ MAP-21 formula funding levels used in both Senate and House bills
- ▶ Appropriations process not on schedule.



Transportation Deadlines

▶ Four key interrelated deadlines requiring legislation:

<u>Problem</u>	<u>Expiration Date</u>
Federal Funding Continuing Resolution MAP-21 Programs and Contract Authority Expire	December 11, 2014 May 31, 2015
Trust Fund Permission to Pay Claims Expires	 May 31, 2015
Highway Trust Fund runs out of Money	 May/June, 2015
Current Law HTF Taxes Expire	 September 30, 2016



Surface Transportation Reauthorization

- ▶ MAP-21 Act ends on September 30, 2014, but provisions and funding have been extended until May 31, 2015.
- ▶ MAP-21 Implementation (Rulemaking) is ongoing
- ▶ Emerging consensus on Repatriation as a way to pay for transportation reauthorization and funding through the 2016 elections?



MAP-21 Rulemaking Update

- ▶ **MAP-21 – 8 Proposed Rules being developed:**
 - **Safety Measures** – Issued on March 11 and submitted on June 30.
 - **HSIP** – Issued on March 28 and submitted on June 30.
 - **Planning** – Issued on June 2, comments were submitted on Sept. 2.
 - **CMAQ** – issued on August 15, MnDOT had no comments.
 - **Pavement and Bridge Measures** – They will be issued Nov/Dec 2014.
 - **Asset Management Plan** – They will be issued on Dec. 23, 2014.
 - **CMAQ, Freight, and System Performance Measures** – They will be issued on Jan. 30. 2015.



MAP-21 Rulemaking Update

- ▶ MAP-21 – Metropolitan and Statewide Planning Rules
 - Discussion of State target setting, not Performance Measures
- ▶ Two levels of comments: AASHTO (Minnesota contributed) and MnDOT
- ▶ Four Key Comments:
 - Statewide targets will not be required to be met regionally or by transportation district
 - State has discretion when there is a conflict between state and MPO targets
 - For each non-metropolitan area in the State, the state STIP must be developed in cooperation with affected area officials
 - MnDOT seeks one single effective date for meeting the performance based planning requirements



2014 Mid-Term Election Update

- ▶ **Minnesota Congressional Delegation:**
 - 9 elections held. Eight incumbents ran and all won their races.
- ▶ New 6th district representative: Tom Emmer
- ▶ **House:** Republicans +13 (7 races unresolved)
 - Republican majority
 - 233 to 246
- ▶ **Senate:** Change
 - Republican majority
 - Democrats lost 7 Seats & their majority



2014 Mid-Term Election Update

- ▶ Senate changes
 - Leadership
 - Committee membership and leadership
- ▶ House of Representatives changes
 - Committee membership

- ▶ Nationwide State Ballot Initiatives
 - Transportation funding lockboxes in WI and MD
 - Voters repealed Mass. gas tax indexed to inflation



Questions?

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