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## USDOT Updates Highway Trust Fund Ticker, Continues to Blow Whistle for July Balance Issues

AASHTO Journal

The U.S. Department of Transportation this week updated its online Highway Trust Fund Ticker, showing the HTF is continuing its trend to be out of money by late August and drop below a \$4 billion balance around July 25. The monthly numbers continue to show an HTF balance in the red before the end of the federal fiscal year. These numbers reiterate what was projected last month, though now one month closer to the red line.

USDOT prefers to keep a minimum of \$4 billion in the highway account in order to properly manage day-to-day financial transactions. At some point between when the account falls below \$4 billion but before the account runs out of money, USDOT will likely institute cash management strategies designed to keep the account solvent. These strategies may include reimbursing states weekly instead of daily or paying states for only a portion of the reimbursement requests they submit. Last week, USDOT Secretary Anthony Foxx sent a letter to state transportation department leaders, warning them of this possibility (see related AASHTO Journal story [here](#)).

According to USDOT, the highway account of the HTF began FY 2014 (Oct. 1, 2013) with a balance of \$1.6 billion cash. Soon after the start of the fiscal year, the account received a \$9.7 billion transfer from the General Fund. The cash balance has dropped by more than \$3 billion since then, leaving the Highway Account of the HTF at \$8.7 billion as of April 25.

USDOT reported that the mass transit account of the HTF currently holds \$3.3 billion. That account began the fiscal year with a balance of \$2.5 billion in cash, and then received an additional \$2 billion from the General Fund. USDOT projects that account will hold about \$1 billion by the end of the fiscal year.

The Congressional Budget Office on Wednesday [sent a letter](#) to House Committee on Transportation and Infrastructure Chair Nick Rahall (D-WV) in response to his inquiries regarding new federal funding commitments that could be made from the HTF for highway and transit programs under two scenarios: one in which the HTF is greater than zero for each year between 2015 and 2014, or if the HTF were to maintain balances of at least \$4 billion in its highway account and at least \$1 billion in its transit account (the amount at which USDOT can manage day-to-day operations for both accounts) for those same years.

CBO reported that the first scenario (in which the HTF hovers above a zero balance) would mean that "most of the revenues credited to the trust fund in 2015 would be used to meet obligations made before that year. Over

the 2015-2024 period, the highway account would see a decrease in new commitments of 30 percent and the transit account would see a decrease of 55 percent, compared with CBO's baseline."

The second scenario, if the HTF would hold at least a \$4 billion balance in the highway account at least \$1 billion in the transit account, "neither the highway account nor the transit account could accommodate any new obligations in fiscal year 2015. All revenues credited to the fund in 2015 would be used to meet prior obligations."

The Highway Trust Fund ticker is available [here](#).

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Questions regarding this article may be directed to [editor@ashtojournal.org](mailto:editor@ashtojournal.org).

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