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# Construction Job Loss and Cuts to State Infrastructure Funding Expected to Result from Highway Trust Fund Inaction

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Washington, D.C.--(ENEWSPF)--February 20, 2014. Just as this year's summer construction season is expected to heat up, state governments will be at risk of losing millions of dollars in federal funds that support infrastructure projects, resulting in significant construction-sector job losses across the nation, according to a **report** released today by the Center for American Progress. The paper makes the case for why Congress must act to address the looming financial insolvency of the Highway Trust Fund.

"By relying on short-term patches to avert Highway Trust Fund insolvency, Congress is not only undermining our long-term economic competitiveness, but also jeopardizing the employment of thousands of American construction workers," said **Kevin DeGood**, Director of Infrastructure Policy at CAP and author of the report. "This fall, Congress has the opportunity to solve the growing funding crisis when it reauthorizes surface transportation programs. In the short term, Congress should increase the gas tax to allow time to transition to a vehicle-miles-traveled user fee. These steps will put federal infrastructure programs on sound fiscal footing, providing them with the resources they need to build a better future for America."

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Each year, the federal government spends approximately \$50 billion to support projects that improve our nation's highways, public transportation, and intercity passenger rail. Of this total, \$46 billion comes from the Highway Trust Fund, which is capitalized by a federal gasoline tax. Over the past several years, however, dramatic improvements in vehicle fuel efficiency and reduced driving have decreased the amount of gas tax revenue deposited in the Highway Trust Fund. In fact, gas revenues have fallen so dramatically that since fiscal year 2008, Congress has transferred \$54 billion in general fund revenues to the Highway Trust Fund to prevent insolvency. The most recent fund transfers were intended to keep the trust fund healthy through the end of this fiscal year. Unfortunately, current projections show that the highway account will run out of money as early as this August with the transit account close behind.

Furthermore, because federal law prohibits the Highway Trust Fund from operating on a negative balance, the Department of Transportation is expected to begin taking special administrative actions early this summer. Specifically, when the highway account dips below \$4 billion, DOT will either substantially delay payments to states or pay a reduced share—65 cents on the dollar, for example. Additionally, special measures will take effect when the mass transit account dips below \$1 billion.

The report includes a **state-by-state breakdown** of the estimated funding cuts and potential job losses each state will face next year if the funding shortfall is not

resolved.

TABLE 1  
Estimated funding cut by state for FY 2015

| State       | Highway cut     | Transit cut   | Total cut       | Jobs lost |
|-------------|-----------------|---------------|-----------------|-----------|
| Alabama     | \$239,336,348   | \$17,168,896  | \$256,505,245   | 3,206     |
| Alaska      | \$158,177,933   | \$14,573,812  | \$172,751,744   | 2,159     |
| Arizona     | \$230,811,393   | \$33,366,317  | \$264,177,709   | 3,302     |
| Arkansas    | \$163,328,914   | \$9,813,120   | \$173,142,033   | 2,164     |
| California  | \$1,157,831,972 | \$398,271,439 | \$1,556,103,410 | 19,451    |
| Colorado    | \$168,688,385   | \$34,009,482  | \$202,697,868   | 2,534     |
| Connecticut | \$158,444,301   | \$46,084,493  | \$204,528,794   | 2,557     |
| Delaware    | \$53,363,158    | \$6,526,443   | \$59,889,601    | 749       |

|                      |               |               |               |        |
|----------------------|---------------|---------------|---------------|--------|
| District of Columbia | \$50,334,875  | \$70,858,593  | \$121,193,468 | 1,515  |
| Florida              | \$597,697,470 | \$110,808,960 | \$708,506,430 | 8,856  |
| Georgia              | \$407,326,017 | \$57,838,444  | \$465,164,461 | 5,815  |
| Hawaii               | \$53,355,405  | \$14,049,690  | \$67,405,095  | 843    |
| Idaho                | \$90,229,084  | \$7,661,528   | \$97,890,612  | 1,224  |
| Illinois             | \$448,505,461 | \$169,100,719 | \$617,606,179 | 7,720  |
| Indiana              | \$300,588,573 | \$30,115,191  | \$330,703,763 | 4,134  |
| Iowa                 | \$151,796,312 | \$12,284,762  | \$164,081,074 | 2,051  |
| Kansas               | \$119,212,491 | \$10,662,862  | \$129,875,354 | 1,623  |
| Kentucky             | \$209,603,046 | \$16,757,300  | \$226,360,346 | 2,830  |
| Louisiana            | \$221,408,876 | \$19,092,590  | \$240,501,466 | 3,006  |
| Maine                | \$58,232,379  | \$8,719,281   | \$66,951,660  | 837    |
| Maryland             | \$189,043,785 | \$64,723,209  | \$253,766,994 | 3,172  |
| Massachusetts        | \$191,592,987 | \$113,523,209 | \$305,116,196 | 3,814  |
| Michigan             | \$332,141,383 | \$42,990,079  | \$375,131,462 | 4,689  |
| Minnesota            | \$205,706,942 | \$31,933,719  | \$237,640,661 | 2,971  |
| Mississippi          | \$152,572,342 | \$9,054,828   | \$161,627,170 | 2,020  |
| Missouri             | \$298,644,394 | \$30,889,082  | \$329,533,476 | 4,119  |
| Montana              | \$129,432,864 | \$6,518,220   | \$135,951,084 | 1,699  |
| Nebraska             | \$91,181,987  | \$7,727,777   | \$98,909,764  | 1,236  |
| Nevada               | \$114,549,774 | \$16,509,483  | \$131,059,257 | 1,638  |
| New Hampshire        | \$52,121,780  | \$4,612,875   | \$56,734,654  | 709    |
| New Jersey           | \$314,973,475 | \$175,947,123 | \$490,920,598 | 6,137  |
| New Mexico           | \$115,846,655 | \$12,693,192  | \$128,539,847 | 1,607  |
| New York             | \$529,515,339 | \$464,737,216 | \$994,252,555 | 12,428 |
| North Carolina       | \$328,401,494 | \$36,180,650  | \$364,582,144 | 4,557  |
| North Dakota         | \$78,319,044  | \$4,460,214   | \$82,779,258  | 1,035  |
| Ohio                 | \$422,850,855 | \$55,542,889  | \$478,393,744 | 5,980  |
| Oklahoma             | \$200,070,749 | \$14,774,312  | \$214,845,061 | 2,686  |
| Oregon               | \$157,677,437 | \$30,861,666  | \$188,539,104 | 2,357  |
| Pennsylvania         | \$517,591,423 | \$124,422,061 | \$642,013,483 | 8,025  |
| Rhode Island         | \$68,990,927  | \$8,493,443   | \$77,484,370  | 969    |
| South Carolina       | \$198,054,703 | \$15,005,137  | \$213,059,841 | 2,663  |
| South Dakota         | \$88,964,038  | \$4,970,830   | \$93,934,867  | 1,174  |
| Tennessee            | \$266,576,021 | \$26,767,679  | \$293,343,699 | 3,667  |

|               |                         |                        |                          |                |
|---------------|-------------------------|------------------------|--------------------------|----------------|
| Texas         | \$995,513,064           | \$130,569,897          | \$1,126,082,960          | 14,076         |
| Utah          | \$101,633,722           | \$21,325,555           | \$122,959,277            | 1,537          |
| Vermont       | \$64,024,467            | \$2,730,020            | \$66,754,487             | 834            |
| Virginia      | \$321,019,898           | \$48,085,221           | \$369,105,119            | 4,614          |
| Washington    | \$213,855,783           | \$73,379,763           | \$287,235,546            | 3,590          |
| West Virginia | \$137,862,230           | \$8,178,965            | \$146,041,195            | 1,826          |
| Wisconsin     | \$237,363,258           | \$25,595,702           | \$262,958,960            | 3,287          |
| Wyoming       | \$80,816,411            | \$3,506,650            | \$84,323,061             | 1,054          |
|               | <b>\$12,235,181,622</b> | <b>\$2,704,474,586</b> | <b>\$14,939,656,209*</b> | <b>186,746</b> |

\* The state-by-state estimates do not sum to \$15 billion, as they do not include the projected cut to transit funding for Puerto Rico and the other U.S. territories.

Source: Results based on author's calculations assuming a \$15 billion cut to formula programs distributed proportionally to all states using Federal Highway Administration and Federal Transit Administration data, available at <http://www.fhwa.dot.gov/legsregs/directives/notices/n4510770.cfm> and [http://www.fta.dot.gov/documents/FTA\\_Apportionments\\_for\\_Formula\\_and\\_Discretionary\\_Programs\\_by\\_State\\_FY\\_1998-2013.xls](http://www.fta.dot.gov/documents/FTA_Apportionments_for_Formula_and_Discretionary_Programs_by_State_FY_1998-2013.xls).

Read the report: **Understanding the Highway Trust Fund and the Perils of Inaction** by Kevin DeGood

Source: [americanprogress.org](http://americanprogress.org)




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