



Highway Trust Fund Cuts by State

Kevin DeGood January 19, 2018

President Donald Trump has talked a great deal about infrastructure investment. For months, his administration has signaled its intention to release a plan for spending \$200 billion on infrastructure over 10 years.¹ Importantly, the new plan—when it eventually arrives—cannot and should not be assessed in isolation from the president’s fiscal year 2018 budget, as it is the combination of the two that provides the full picture of the administration’s vision for infrastructure policy.

Unfortunately, President Trump’s vision for infrastructure involves deep cuts to core programs. The biggest and most harmful cut would be to the Highway Trust Fund (HTF), which provides funding for thousands of highway and public transportation projects each year. This money is the foundation upon which states and regions build their infrastructure programs. The president’s FY 2018 budget calls for “Highway Trust Fund outlays [to] conform to baseline levels of Highway Trust Fund revenues.”² This is budgetary speak for a massive cut to the HTF.

The HTF is principally capitalized by an 18.4 cent a gallon tax on gasoline and a 24.4 cent a gallon tax on diesel.³ For years, Congress has authorized the HTF to provide states and regions with more money than it collects in federal gasoline and diesel taxes.⁴ To cover the shortfall, Congress has repeatedly transferred Treasury general fund revenues into the HTF.⁵ The Trump administration would like these transfers to stop. According to the Congressional Budget Office, the HTF will become insolvent at the end of FY 2020.⁶ Between FY 2021 and FY 2027, the trust fund is projected to have a shortfall of \$138 billion. In other words, if trust fund outlays must match gas tax receipts, then state and local governments will face a cut of \$138 billion in the coming years.

In addition, the administration would like to offset their infrastructure plan by cutting \$200 billion from nondefense discretionary programs. This would include the elimination of critical infrastructure programs like Transportation Investment Generating Economic Recovery (TIGER), New Starts, and Amtrak long-distance routes, among others.⁷ During a recent interview with *The Wall Street Journal*, the president reiterated his desire to offset the infrastructure plan with cuts to domestic programs like the ones

referenced in the budget. When asked if the plan would be deficit-financed or covered by new revenues, he responded: “No. This will be—this will be money that we will find.”⁸ Altogether, President Trump wants to cut at least \$338 billion, or \$1.69 for every \$1 of proposed expenditure. The net effect would be a reduction in total employment. The following table estimates the \$138 billion funding cut for both highway and transit programs by state, as well as potential job losses.

TABLE 1
Estimated highway and transit funding cuts and job losses by state,
FY 2021–FY 2027

State	Highway funding cut	Transit funding cut	Total funding cut	Total estimated job years lost
Alabama	-\$1,917,924,920	-\$237,058,861	-\$2,154,983,781	-26,937
Alaska	-\$1,267,567,434	-\$226,964,563	-\$1,494,531,996	-18,682
Arizona	-\$1,849,624,188	-\$487,604,288	-\$2,337,228,476	-29,215
Arkansas	-\$1,308,839,704	-\$139,961,512	-\$1,448,801,217	-18,110
California	-\$9,278,444,606	-\$5,831,494,624	-\$15,109,939,229	-188,874
Colorado	-\$1,351,798,604	-\$509,433,384	-\$1,861,231,987	-23,265
Connecticut	-\$1,269,708,117	-\$728,628,506	-\$1,998,336,623	-24,979
Delaware	-\$427,629,643	-\$110,372,349	-\$538,001,992	-6,725
District of Columbia	-\$403,362,007	-\$874,327,388	-\$1,277,689,395	-15,971
Florida	-\$4,789,655,663	-\$1,640,237,297	-\$6,429,892,960	-80,374
Georgia	-\$3,264,128,780	-\$810,051,523	-\$4,074,180,304	-50,927
Hawaii	-\$427,567,083	-\$188,876,450	-\$616,443,533	-7,706
Idaho	-\$723,054,821	-\$106,400,638	-\$829,455,459	-10,368
Illinois	-\$3,594,136,509	-\$2,535,619,393	-\$6,129,755,902	-76,622
Indiana	-\$2,408,781,433	-\$399,400,114	-\$2,808,181,547	-35,102
Iowa	-\$1,242,394,538	-\$178,552,702	-\$1,420,947,240	-17,762
Kansas	-\$955,312,207	-\$158,496,309	-\$1,113,808,517	-13,923
Kentucky	-\$1,679,657,858	-\$233,087,731	-\$1,912,745,589	-23,909
Louisiana	-\$1,774,263,627	-\$271,109,711	-\$2,045,373,337	-25,567
Maine	-\$466,648,695	-\$142,862,984	-\$609,511,680	-7,619
Maryland	-\$1,519,151,643	-\$1,047,276,240	-\$2,566,427,883	-32,080
Massachusetts	-\$1,535,352,470	-\$1,567,592,884	-\$3,102,945,354	-38,787
Michigan	-\$2,661,639,970	-\$594,623,779	-\$3,256,263,750	-40,703
Minnesota	-\$1,648,443,088	-\$473,023,943	-\$2,121,467,030	-26,518
Mississippi	-\$1,222,641,625	-\$129,664,712	-\$1,352,306,337	-16,904
Missouri	-\$2,393,194,150	-\$434,420,195	-\$2,827,614,345	-35,345
Montana	-\$1,037,214,785	-\$89,464,274	-\$1,126,679,058	-14,083
Nebraska	-\$730,690,102	-\$107,705,696	-\$838,395,797	-10,480

State	Highway funding cut	Transit funding cut	Total funding cut	Total estimated job years lost
Nevada	-\$917,955,420	-\$258,795,294	-\$1,176,750,714	-14,709
New Hampshire	-\$417,681,383	-\$71,927,591	-\$489,608,974	-6,120
New Jersey	-\$2,524,075,435	-\$2,620,989,891	-\$5,145,065,326	-64,313
New Mexico	-\$928,340,610	-\$201,381,259	-\$1,129,721,869	-14,122
New York	-\$4,243,334,748	-\$6,337,244,520	-\$10,580,579,268	-132,257
North Carolina	-\$2,636,549,546	-\$517,046,983	-\$3,153,596,530	-39,420
North Dakota	-\$627,613,077	-\$64,592,119	-\$692,205,196	-8,653
Ohio	-\$3,388,547,140	-\$795,725,197	-\$4,184,272,337	-52,303
Oklahoma	-\$1,603,270,249	-\$216,638,471	-\$1,819,908,719	-22,749
Oregon	-\$1,263,554,522	-\$434,182,746	-\$1,697,737,268	-21,222
Pennsylvania	-\$4,147,753,326	-\$1,825,773,077	-\$5,973,526,402	-74,669
Rhode Island	-\$552,862,301	-\$162,748,582	-\$715,610,883	-8,945
South Carolina	-\$1,692,791,408	-\$211,750,072	-\$1,904,541,480	-23,807
South Dakota	-\$712,917,253	-\$72,625,397	-\$785,542,649	-9,819
Tennessee	-\$2,136,218,682	-\$386,898,045	-\$2,523,116,727	-31,539
Texas	-\$8,726,062,328	-\$1,852,161,134	-\$10,578,223,462	-132,228
Utah	-\$877,814,925	-\$320,664,657	-\$1,198,479,583	-14,981
Vermont	-\$513,064,135	-\$40,867,130	-\$553,931,265	-6,924
Virginia	-\$2,572,510,975	-\$732,379,575	-\$3,304,890,550	-41,311
Washington	-\$1,713,746,165	-\$1,087,821,925	-\$2,801,568,090	-35,020
West Virginia	-\$1,104,763,243	-\$115,632,950	-\$1,220,396,193	-15,255
Wisconsin	-\$1,902,119,213	-\$366,867,033	-\$2,268,986,247	-28,362
Wyoming	-\$647,625,644	-\$50,974,306	-\$698,599,950	-8,732
Total	-99,000,000,000	-39,000,000,000	-\$138,000,000,000	-1,725,000

Sources: Results based on author's calculation from Congressional Budget Office, *Projections of Highway Trust Fund Accounts – CBO's June 2017 Baseline* (2017), available at <https://www.cbo.gov/sites/default/files/recurringdata/51300-2017-06-highwaytrustfund.pdf>; Federal Highway Administration, *Comparison of Actual FY 2015 Apportionments Under the Highway and Transportation Funding Act of 2014, As Amended, and Estimated FY 2016 - FY 2020 Apportionments Under the Fixing America's Surface Transportation (FAST) Act* (U.S. Department of Transportation), available at <https://www.fhwa.dot.gov/fastact/estfy20162020apports.xlsx> (last accessed May 2017); and transit apportionment estimates under the *FAST Act* provided by U.S. House Committee on Transportation and Infrastructure.

Conclusion

The cuts proposed by the Trump administration are unacceptable. The time has come for national infrastructure investment that is robust, comprehensive, equitable, sustainable, and targeted. This means that the federal government should spend at least \$1 trillion above baseline over the next 10 years. These outlays should support everything from highways, public transportation, and aviation to affordable housing, water, clean energy, child care facilities, and rural broadband, among other sectors. Furthermore, these investments should provide people with safe, affordable, and reliable access to opportunity and, wherever possible, redress the harms created by

past infrastructure investments. Federal funds should promote sustainability by protecting local communities and natural habitats and by ensuring that the United States meets its climate commitments. Finally, federal funds should be targeted to those communities facing the greatest need. Taken together, these five principles will ensure that federal funds produce the greatest return on investment and create an economy that works for everyone, not just the wealthy few.

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Endnotes

- 1 The White House, *Budget of the U.S. Government: A New Foundation for American Greatness, Fiscal Year 2018* (2017), available at <https://www.whitehouse.gov/wp-content/uploads/2017/11/budget.pdf>.
- 2 Ibid.
- 3 Federal Highway Administration, *Funding Federal-Aid Highways* (U.S. Department of Transportation, 2017), available at https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/FFAH_2017.pdf.
- 4 Ibid.
- 5 Ibid.
- 6 Congressional Budget Office, *Projections of Highway Trust Fund Accounts – CBO’s June 2017 Baseline* (2017), available at <https://www.cbo.gov/sites/default/files/recurringdata/51300-2017-06-highwaytrustfund.pdf>.
- 7 The White House, *Major Savings and Reforms: Budget of the U.S. Government, Fiscal Year 2018* (2017), available at <https://www.whitehouse.gov/wp-content/uploads/2017/11/msar.pdf>.
- 8 *The Wall Street Journal*, “Transcript of Donald Trump Interview With The Wall Street Journal,” January 14, 2018, available at <https://www.wsj.com/articles/transcript-of-donald-trump-interview-with-the-wall-street-journal-1515715481>.