

AASHTO-AGC-ARTBA Joint Committee
2024 Joint Discussion Paper
“Identifying New Revenues for the Next Surface Transportation Law”

As states and localities continue deploying record federal transportation funding from the Infrastructure Investment and Jobs Act (IIJA), the law's reauthorization is now just over two years away. The November 2024 elections will determine the president and Congress who will draft, negotiate and enact the IIJA's successor. These elected officials will not only shape future federal policies, but also determine the revenue sources necessary to cover outlays for the multi-year highway, public transportation and safety law.

According to the Congressional Budget Office's June 2024 estimates, in order to maintain the IIJA's highway and transit investment levels from 2027 through 2031 (with annual increases for inflation), the Highway Trust Fund will require \$139 billion beyond projected revenues from the existing motor fuel taxes and other user fees. When adding in the general fund revenues that would be required to continue the IIJA's advance appropriations programs for highway, mass transit, safety and multi-modal transportation grants, the total needs would climb to approximately \$230 billion.

Anticipating these future revenue challenges and seeking to better inform the reauthorization process, Congress used the IIJA to authorize work groups, studies and pilot programs to further explore new funding options. However, implementation of these directives by the U.S. Department of Transportation has yet to yield tangible results.

Given these circumstances, as well as potential further effects from the growth of electric vehicles, construction cost volatility, and other factors, the next administration and Congress should begin addressing these revenue questions as soon as possible after taking office.

AASHTO, AGC and ARTBA have committed to advocating for reauthorization legislation that will, at a minimum, set the IIJA's final year as a baseline, grow annual investment levels at or above inflation, and incorporate the required mix of existing and new federal revenues to pay for them.

While federal policymakers have not yet identified long-term funding solutions, numerous states and localities have increased or diversified their respective transportation revenue sources through executive action, legislation and voter referenda in recent years.

As we look ahead, the Joint Committee would appreciate feedback on the following questions:

- If your state or locality has recently enhanced revenues for transportation programs, what experiences could be instructive for the federal funding discussion?
- Drawing from these successes, are there political, communications or advocacy strategies that could be helpful in the coming federal dialogue?
- In working with Congress, would you prefer that our national associations prioritize and advocate for specific revenue solutions, or be willing to consider support for all viable options, including the continued use of general revenues?