

Highway Trust Fund Projections

CBO Winter FY 2012 Baseline 2011-2022

Assuming provisions of H.R. 7 as posted on the Rules website on February 8, 2012 including an adjustment to the obligation limit, as reported by H.R. 7 by the House Committee on Transportation and Infrastructure

Obligation limitation Amounts after FY 2016 inflated using CBO's economic assumptions, and based on the FY 2016 amount

Contract Authority Extended in the baseline at FY 2016 levels

(In Billions of dollars)

February 13, 2012

This is an informal estimate

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Highway Account												
<u>Resources</u>												
Contract Authority (FHWA)	39.9	39.9	38.2	38.5	38.5	38.8	38.8	38.8	38.8	38.8	38.8	38.8
Contract Authority -- flexed to transit	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Contract Authority (Safety)	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Obligation Limitation (FHWA)	41.1	39.1	37.4	37.6	37.7	38.0	38.7	39.6	40.4	41.3	42.3	43.2
Obligation Limitation (flexed to transit)	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Obligation Limitation (Safety)	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4	1.4
<u>Cash Flow</u>												
Beginning of Year Balance or Shortfall**	20.7	14.3	11.2	6.7	2.9	0.7	-0.5	-1.5	-2.9	-4.1	-5.7	-7.5
Est. Flexing -- Transfer of Cash	-1.1	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Revenues & Interest^^	32.0	38.1	37.6	38.5	40.0	41.0	41.2	41.9	41.9	41.7	42.1	42.4
Outlays	37.3	40.2	41.0	41.3	41.2	41.2	41.1	42.3	42.1	42.4	42.8	43.3
End of Year Balance or Shortfall**	14.3	11.2	6.7	2.9	0.7	-0.5	-1.5	-2.9	-4.1	-5.7	-7.5	-9.4
Alternative Transportation Account												
<u>Resources</u>												
Contract Authority (FTA)	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Contract Authority -- flexed from Highways	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Contract Authority (FHWA & Research)	0.0	0.0	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Total ATA Obligation Limitation (includes flexing)	9.3	9.3	12.1	12.1	12.1	12.1	12.3	12.6	12.8	13.1	13.3	13.6
<u>Cash Flow</u>												
Beginning of Year Balance or Shortfall**	8.5	7.3	41.1	33.3	23.7	13.1	1.6	-10.3	-22.2	-33.5	-45.0	-56.8
Est. Flexing -- Transfer of Cash	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Revenues & Interest^^	4.9	0.3	0.6	0.5	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0
General Fund Transfer	0.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Outlays	7.2	7.6	9.4	11.1	12.1	12.8	12.9	12.8	12.3	12.5	12.8	13.1
End of Year Balance or Shortfall**	7.3	41.1	33.3	23.7	13.1	1.6	-10.3	-22.2	-33.5	-45.0	-56.8	-68.9

** Under current law, the Highway Trust Fund cannot incur negative balances. The shortfalls shown in the above table illustrate the projected inability of the fund to pay obligations as they are incurred by the states. If the Highway Trust Fund's resources became exhausted, spending on programs financed by the fund could continue at a slower pace as motor fuel taxes are collected. The Department of Transportation has stated that if the fund faced a shortfall, it would ration the amounts it reimburses states in order to maintain a positive balance in the fund.

^^The non-permanent portions of the taxes that are deposited in the Highway Trust Fund scheduled are scheduled to expire at the end of fiscal year 2018 under provisions of the bill. Those include taxes on certain heavy and tires and all but 4.3 cents of federal taxes levied on fuels. However, under the baseline construction rules, CBO's baseline projections assume that all of the expiring taxes credited to the fund continue.

Estimates of trust fund balances or shortfalls reflect CBO's best estimate of likely outcomes under current law. Actual balances could be higher or lower, depending on the accuracy of revenue and spending estimates.