Highway Trust Fund
Cash Balances

December 2008
Highway Trust Fund

- Trust Fund is fire-walled and consists of Highway Account and Mass Transit Account.
- Six-year authorizing legislation sets annual funding levels.
  - Current bill, SAFETEA-LU, expires in 2009.
Sources of Funding

- Federal Gasoline and Gasohol Tax—18.4 cents.
- Federal Diesel Fuel Tax—24.4 cents.
- Truck Sales—12% of retail price for trucks over 33,000 lbs.
- Truck Use—Up to $550 for trucks over 55,000 lbs.
- Truck Tire Tax.
HIGHWAY TRUST FUND
Net Highway Account Income – FY 2007

Gasoline & Gasohol - $20.6
Diesel – $8.3
Truck Sales – $3.8
Tires - $0.5
Truck Use - $1.0
Other - $.018

Total = $34.3 Billion
Federal Gasoline Tax

- 0.1 cent
- 18.4 cents

L.U.S.T. Trust Fund

- 15.44 cents
- 2.86 cents

Highway Account
Mass Transit Account

Effective October 1, 1997

In cents per gallon
Estimating Cash Balances

Beginning Year Cash Balance
+ Receipts
- Outlays

= End of Year Cash Balance
Estimates released this February indicated a $230 million shortfall in the Highway Account of the Highway Trust Fund in FY 2009.

This figure was consistent with achieving the goal of maintaining SAFETEA-LU spending levels through the end of reauthorization.

The President’s Budget proposed withholding Revenue Aligned Budget Authority (RABA), which would have addressed the shortfall.

Estimates assumes no RABA as proposed in the President’s FY 2008 Budget. Shortfall is $700 million with RABA.
Highway Trust Fund Status—Mid-Session Review

- August 2007 projections indicate a decrease in receipts.
  - Highway Account receipts for FY 2007- FY 2009 are a total of $3.7 billion lower than the receipts included in the 2008 President’s Budget for the same time period.
  - FY 2009 Cash Balance is now estimated at approximately -$3.8 billion.
  - The Congressional Budget Office’s Summer 2007 forecast projected an FY 2009 Cash Balance of -$4.3 billion.

*Estimates assumes no RABA as proposed in the President’s FY 2008 Budget. Shortfall is $4.3 billion with RABA.*
What does the future hold?

- Pending FY 2008 Appropriation Bill contains $1 billion in additional Bridge Program funding that will increase outlays in FY 2008 and FY 2009.
- Next estimates of receipts and outlays will be released in February 2008.
- Estimates include $1 billion margin of error.
Latest Estimated Cash Balances:
Highway Account of the HTF
FY 2008 President’s Budget vs. Midsession

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<td>1.5</td>
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Latest Estimated Cash Balances: Mass Transit Account of the HTF

FY 2008 President’s Budget vs. Midsession

<table>
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<th>Estimated</th>
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$ in billions
# Highway Trust Fund Balances

## Highway Trust Fund Cash Balances

FY 2004 – FY 2011

<table>
<thead>
<tr>
<th>Highway Trust Fund Cash Balances</th>
<th>Actual</th>
<th>Estimated Balances</th>
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<tbody>
<tr>
<td></td>
<td>2004</td>
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<td>Highway Account</td>
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<td>Cash Balance (Beginning of Year)</td>
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<td>Receipts</td>
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<td>Receipts</td>
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<td>Fleet Funding Transfer**</td>
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<td>End of Year Cash Balance (Total)</td>
<td>14.6</td>
<td>12.5</td>
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* Includes Fleet Funding Transfer to MTA
** Fleet Funding in FY 2004 and FY 2005 was fully absorbed in the General Fund.

Note: FY 2008 Highway Account outlays do not include RAA

July 11, 2007
Related Indicators

- Over the last three years, monthly travel trends show less than 1% annual growth in the number of miles Americans are driving.
- The average annual VMT growth rate from 1980 through 2005 was 2.7%.
Would Spending Stop If The Highway Trust Fund Ran Out Of Cash?

- No. Spending on programs would continue as new receipts are received (an average of $3 billion per month).

- Payments may not be timely. Very problematic for States, who rely on prompt reimbursements.
The next few years...

FY 2007
- SAFETEA-LU
  - December 2007: 110th Congress
  - Summer 2007: Midsession (next HTF Forecast)
  - January 2007: 110th Congress

FY 2008
- Summer 2008: Midsession (HTF Forecast)
- January 2009: 111th Congress

FY 2009
- Summer 2009: Midsession (HTF Forecast)
- Sept 30 2009: SAFETEA-LU Ends
  - FY 2009
    - Highway Account estimated to run out of cash sometime during the year
    - At risk...
  - FY 2010
    - Highway Account has limited funds for new programs (half of current program)
    - Limited cash to cover extension bills and administer the program
    - Impacts FHWA, NHTSA, FMCSA and FTA “flexed funds”
    - Worsening crisis throughout the year
  - FY 2011
    - Mass Transit Account has very limited funds to cover new programs
    - Worsening crisis throughout the year

FY 2010
- Winter 2008: Midsession (HTF Forecast)
- January 2009: 111th Congress

FY 2011
- October 2009: Next Reauthorization Period Begins…
  - $0 in HA
  - $0 in MTA
  - At risk...

FY 2012
- Summer 2010: Midsession (HTF Forecast)

Notice: This content is just an extract and may not represent the complete context or details. The image includes a timeline with key events and fiscal years, indicating the progression of financial statuses and legislative actions. The text appears to discuss the financial challenges faced by the Highway Account and Mass Transit Account during the fiscal years 2009 to 2011, with implications for the transportation programs and funding availability.