

How Would a Government Shutdown Impact the Federal Transportation Programs?

- The Federal Highway Administration (FHWA) would remain open and construction work should continue on all federal-aid highway and bridge projects without interruption.
- Federal Transit Administration (FTA) and Federal Railroad Administration (FRA) employees would be furloughed and local transit and rail agencies would have to use their own funds to pay contractors or shut down construction activities.
- Airport construction activity would depend on local airport authority decisions on how to manage their capital programs under a shutdown.

For the past month, members of Congress and President Trump have engaged in a game of chicken over federal spending that risks a partial shutdown of the federal government. While congressional Republicans have attempted to tamp down concerns and claim a resolution remains achievable, questions persist about how a shutdown would impact the federal transportation programs.

The first thing to be clear about is the origin of this situation. Every year Congress must enact 12 separate appropriation bills to fund federal agencies and programs for the next year. These bills cover activities ranging from defense to agriculture to transportation. FY 2019 began October 1 and five of these bills have been enacted and roughly 25 percent of federal discretionary spending continues to function under a series of interim measures—the latest of which expires December 21.

For many federal programs, a lack of funds means that activity and employees associated with it must be suspended until resources are provided. While the Trump administration is not releasing specifics of how a shutdown would be administered, here is what we know:

Highway Program. The federal highway program and FHWA employees are supported by the Highway Trust Fund and not the federal general fund. The 2015 surface transportation law authorized trust fund expenditures for FY 2016 through FY 2020 and ensured the fund has sufficient resources to support these investments. As a result, the federal highway program and the FHWA would continue to operate without an appropriation bill. In prior government shutdowns, the Treasury Department has retained sufficient employees to liquidate FHWA invoices.

Public Transportation and Rail Programs. While much of the federal transit program is funded by the Highway Trust Fund, FTA and FRA employees are paid from general funds. As such, the FTA and FRA would shut down after December 21 absent further appropriations and not be able to liquidate invoices or obligate new grants until the agencies reopen. The impact on construction projects would be up to local transit and rail agencies, which may either stop work or elect to use their own funds to pay contractors until an agreement is reached. Amtrak would likely continue to operate as it is only partially funded by federal appropriations.

Aviation Programs. Employees at the Federal Aviation Administration are paid with general funds and would be furloughed if Congress fails to reach a funding agreement by December 21. In the past, air traffic controllers have been exempted from government shutdowns. As such, while airport construction activity would depend on local airport authority decisions on how to manage their capital programs, the U.S. air traffic control system would likely remain in full operation.

We will keep you apprised as this situation continues to evolve.