

Federal Highway Funding Formulas

Funding formulas for the federal-aid highway program were historically based on performance and equity related metrics and data that were updated on a yearly basis. Those metrics included:

- Total lane miles per state.
- Vehicle miles traveled on federal-aid highways.
- Number of fatalities on federal-aid highways.
- A state's contribution to the highway trust fund and population data.

However, since the passage of the Moving Ahead for Progress Act (MAP-21), changes were put into place and continued under the current authorization legislation, the Fixing America's Surface Transportation Act (FAST Act) that ceased annual updates to the inputs for funding formula metrics.

Per the current FAST Act, the base calculation for a state's apportionment is "the share for each State, which shall be equal to the proportion that— (I) the amount of apportionments that the State received for fiscal year 2015." While the year is set at 2015, funding is tied to the amount states received in 2009, the last year the Federal Highway Administration (FHWA) used formulas set out in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Act. In addition to the base amount being set from 2015 funding amounts, the Metropolitan Planning and CMAQ set-asides are determined by multiplying the amount of the base apportionment remaining for the State by the proportion that was apportioned to the State for fiscal year 2009.¹

Additionally, SAFETEA-LU contained \$4.4 billion in "above the line" earmarks. Earmarks traditionally were applied to a state's portion of their formula funding but these earmarks were given to states above and beyond their formula funding. Instead of the earmarks being given to states one time under SAFETEA-LU, \$4.4 billion has been given to these states every year since 2009.

Bottom line is that the current formula distribution of over \$40 billion dollars in annual transportation funding apportionments to states are derived from formula data that was frozen in 2009 and continues to reflect additional funding levels that states received from congressional earmarks back in 2009 as well.

Unless Congress elects to use current data inputs when calculating highway formula funding, the gap between the data used in 2005, when SAFETEA-LU was passed, and actual data will only continue to increase, further compounding the issue and impact on states.

Below are a set of tables for FY 2019 that show the impact of rate of return (ROR) on states.

Table one shows the ROR for Highway Trust Fund payments but does not account for the impact to the ROR of proportional general fund transfers. Consequently, all states but one see a positive ROR over their HTF payments as a result of this addition of general fund transfers proportionately distributed to states.

Table two attempts to account for the impact of general fund transfers by comparing the percentage of total payments into the HTF versus percentage of total apportionments received. Under this comparison half the states receive a ROR greater than 1.0 and half the states receive a ROR less than 1.0.

¹ 23 U.S. Code § 104

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**Table One: FY 2019 Rate of Return
Dollar In vs. Dollar Out**

State	Most Recent Available HTF Payments	FY 2019 Apportionment	Difference Between Dollars Contributed and Dollars Apportioned	Rate of Return For FY 2019
Alabama	\$739,213,000	\$819,342,189	\$80,129,189	111%
Alaska	\$79,923,000	\$541,507,940	\$461,584,940	678%
Arizona	\$721,748,000	\$790,164,053	\$68,416,053	109%
Arkansas	\$440,851,000	\$559,139,513	\$118,288,513	127%
California	\$3,419,670,000	\$3,963,775,130	\$544,105,130	116%
Colorado	\$570,991,000	\$577,491,739	\$6,500,739	101%
Connecticut	\$324,764,000	\$542,422,487	\$217,658,487	167%
Delaware	\$99,078,000	\$182,684,447	\$83,606,447	184%
Dist. of Col.	\$25,160,000	\$172,317,254	\$147,157,254	685%
Florida	\$1,883,588,000	\$2,046,152,544	\$162,564,544	109%
Georgia	\$1,184,158,000	\$1,394,443,871	\$210,285,871	118%
Hawaii	\$88,684,000	\$182,657,719	\$93,973,719	206%
Idaho	\$216,744,000	\$308,890,799	\$92,146,799	143%
Illinois	\$1,276,932,000	\$1,535,424,089	\$258,492,089	120%
Indiana	\$916,449,000	\$1,029,037,366	\$112,588,366	112%
Iowa	\$497,525,000	\$530,753,979	\$33,228,979	107%
Kansas	\$364,714,000	\$408,111,707	\$43,397,707	112%
Kentucky	\$604,845,000	\$717,553,931	\$112,708,931	119%
Louisiana	\$576,705,000	\$757,969,743	\$181,264,743	131%
Maine	\$175,987,000	\$199,353,478	\$23,366,478	113%
Maryland	\$604,381,000	\$648,985,389	\$44,604,389	107%
Massachusetts	\$590,892,000	\$655,906,449	\$65,014,449	111%
Michigan	\$1,049,060,000	\$1,137,059,218	\$87,999,218	108%
Minnesota	\$668,259,000	\$704,218,954	\$35,959,954	105%
Mississippi	\$499,956,000	\$522,315,485	\$22,359,485	104%
Missouri	\$843,508,000	\$1,022,378,386	\$178,870,386	121%
Montana	\$166,929,000	\$443,100,699	\$276,171,699	265%
Nebraska	\$292,462,000	\$312,152,604	\$19,690,604	107%
Nevada	\$290,529,000	\$392,152,854	\$101,623,854	135%
New Hampshire	\$140,511,000	\$178,434,523	\$37,923,523	127%
New Jersey	\$957,343,000	\$1,078,291,390	\$120,948,390	113%
New Mexico	\$325,342,000	\$396,589,381	\$71,247,381	122%
New York	\$1,363,793,000	\$1,812,763,333	\$448,970,333	133%
North Carolina	\$1,100,108,000	\$1,126,340,465	\$26,232,465	102%
North Dakota	\$160,846,000	\$268,117,851	\$107,271,851	167%
Ohio	\$1,315,911,000	\$1,447,595,770	\$131,684,770	110%
Oklahoma	\$590,928,000	\$684,920,955	\$93,992,955	116%
Oregon	\$430,645,000	\$539,793,595	\$109,148,595	125%
Pennsylvania	\$1,262,665,000	\$1,771,930,508	\$509,265,508	140%
Rhode Island	\$76,353,000	\$236,184,138	\$159,831,138	309%
South Carolina	\$695,633,000	\$723,164,614	\$27,531,614	104%
South Dakota	\$149,432,000	\$304,560,005	\$155,128,005	204%
Tennessee	\$850,633,000	\$912,597,876	\$61,964,876	107%
Texas	\$3,989,970,000	\$3,790,153,846	(\$199,816,154)	95%
Utah	\$348,461,000	\$375,004,692	\$26,543,692	108%
Vermont	\$71,476,000	\$219,182,269	\$147,706,269	307%
Virginia	\$978,663,000	\$1,098,983,043	\$120,320,043	112%
Washington	\$663,434,000	\$732,116,601	\$68,682,601	110%
West Virginia	\$221,135,000	\$471,957,562	\$250,822,562	213%
Wisconsin	\$660,769,000	\$812,589,995	\$151,820,995	123%
Wyoming	\$165,755,000	\$276,667,268	\$110,912,268	167%
Total	\$35,733,511,000	\$42,355,403,696		

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Table Two: FY 2019 Rate of Return Percentage In vs. Percentage Out

State	Most Recent Available HTF Payments	Percent of Total Paid	FY 2019 Apportionment	Percent of Total Funding	Difference Between Percent Contributed and Percent Apportioned	Rate of Return For FY 2019
Alabama	\$739,213,000	2.07%	\$819,342,189	1.93%	-0.13%	93.51%
Alaska	\$79,923,000	0.22%	\$541,507,940	1.28%	1.05%	571.61%
Arizona	\$721,748,000	2.02%	\$790,164,053	1.87%	-0.15%	92.36%
Arkansas	\$440,851,000	1.23%	\$559,139,513	1.32%	0.09%	107.00%
California	\$3,419,670,000	9.57%	\$3,963,775,130	9.36%	-0.21%	97.79%
Colorado	\$570,991,000	1.60%	\$577,491,739	1.36%	-0.23%	85.33%
Connecticut	\$324,764,000	0.91%	\$542,422,487	1.28%	0.37%	140.91%
Delaware	\$99,078,000	0.28%	\$182,684,447	0.43%	0.15%	155.56%
Dist. of Col.	\$25,160,000	0.07%	\$172,317,254	0.41%	0.34%	577.81%
Florida	\$1,883,588,000	5.27%	\$2,046,152,544	4.83%	-0.44%	91.65%
Georgia	\$1,184,158,000	3.31%	\$1,394,443,871	3.29%	-0.02%	99.35%
Hawaii	\$88,684,000	0.25%	\$182,657,719	0.43%	0.18%	173.76%
Idaho	\$216,744,000	0.61%	\$308,890,799	0.73%	0.12%	120.23%
Illinois	\$1,276,932,000	3.57%	\$1,535,424,089	3.63%	0.05%	101.44%
Indiana	\$916,449,000	2.56%	\$1,029,037,366	2.43%	-0.14%	94.73%
Iowa	\$497,525,000	1.39%	\$530,753,979	1.25%	-0.14%	90.00%
Kansas	\$364,714,000	1.02%	\$408,111,707	0.96%	-0.06%	94.40%
Kentucky	\$604,845,000	1.69%	\$717,553,931	1.69%	0.00%	100.09%
Louisiana	\$576,705,000	1.61%	\$757,969,743	1.79%	0.18%	110.88%
Maine	\$175,987,000	0.49%	\$199,353,478	0.47%	-0.02%	95.57%
Maryland	\$604,381,000	1.69%	\$648,985,389	1.53%	-0.16%	90.59%
Massachusetts	\$590,892,000	1.65%	\$655,906,449	1.55%	-0.11%	93.65%
Michigan	\$1,049,060,000	2.94%	\$1,137,059,218	2.68%	-0.25%	91.44%
Minnesota	\$668,259,000	1.87%	\$704,218,954	1.66%	-0.21%	88.91%
Mississippi	\$499,956,000	1.40%	\$522,315,485	1.23%	-0.17%	88.14%
Missouri	\$843,508,000	2.36%	\$1,022,378,386	2.41%	0.05%	102.26%
Montana	\$166,929,000	0.47%	\$443,100,699	1.05%	0.58%	223.94%
Nebraska	\$292,462,000	0.82%	\$312,152,604	0.74%	-0.08%	90.05%
Nevada	\$290,529,000	0.81%	\$392,152,854	0.93%	0.11%	113.88%
New Hampshire	\$140,511,000	0.39%	\$178,434,523	0.42%	0.03%	107.14%
New Jersey	\$957,343,000	2.68%	\$1,078,291,390	2.55%	-0.13%	95.02%
New Mexico	\$325,342,000	0.91%	\$396,589,381	0.94%	0.03%	102.84%
New York	\$1,363,793,000	3.82%	\$1,812,763,333	4.28%	0.46%	112.14%
North Carolina	\$1,100,108,000	3.08%	\$1,126,340,465	2.66%	-0.42%	86.38%
North Dakota	\$160,846,000	0.45%	\$268,117,851	0.63%	0.18%	140.63%
Ohio	\$1,315,911,000	3.68%	\$1,447,595,770	3.42%	-0.26%	92.81%
Oklahoma	\$590,928,000	1.65%	\$684,920,955	1.62%	-0.04%	97.79%
Oregon	\$430,645,000	1.21%	\$539,793,595	1.27%	0.07%	105.75%
Pennsylvania	\$1,262,665,000	3.53%	\$1,771,930,508	4.18%	0.65%	118.39%
Rhode Island	\$76,353,000	0.21%	\$236,184,138	0.56%	0.34%	260.97%
South Carolina	\$695,633,000	1.95%	\$723,164,614	1.71%	-0.24%	87.70%
South Dakota	\$149,432,000	0.42%	\$304,560,005	0.72%	0.30%	171.95%
Tennessee	\$850,633,000	2.38%	\$912,597,876	2.15%	-0.23%	90.51%
Texas	\$3,989,970,000	11.17%	\$3,790,153,846	8.95%	-2.22%	80.14%
Utah	\$348,461,000	0.98%	\$375,004,692	0.89%	-0.09%	90.79%
Vermont	\$71,476,000	0.20%	\$219,182,269	0.52%	0.32%	258.71%
Virginia	\$978,663,000	2.74%	\$1,098,983,043	2.59%	-0.14%	94.74%
Washington	\$663,434,000	1.86%	\$732,116,601	1.73%	-0.13%	93.10%
West Virginia	\$221,135,000	0.62%	\$471,957,562	1.11%	0.50%	180.06%
Wisconsin	\$660,769,000	1.85%	\$812,589,995	1.92%	0.07%	103.75%
Wyoming	\$165,755,000	0.46%	\$276,667,268	0.65%	0.19%	140.82%
Total	\$35,733,511,000		\$42,355,403,696			