

S. 1992, A bill to amend the FAST Act to repeal a rescission of funds

As reported by the Senate Committee on Environment and Public Works on July 31, 2019

By Fiscal Year, Millions of Dollars	2019	2019-2024	2019-2029
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	not estimated
Statutory pay-as-you-go procedures apply?	No	Mandate Effects	
Increases on-budget deficits in any of the four consecutive 10-year periods beginning in 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

Under the Fixing America’s Surface Transportation Act (FAST Act, Public Law 114-94), about \$47.1 billion in contract authority (a mandatory form of budget authority) is provided in 2020 for the Federal-Aid Highway Program. The FAST Act also provides for a rescission of about \$7.6 billion of Federal-Aid Highway Program contract authority in 2020. S. 1992 would repeal that rescission.

Repealing the rescission would increase the contract authority available to the Federal-Aid Highway Program in 2020 by \$7.6 billion. Consistent with the rules in the Balanced Budget and Emergency Deficit Control Act for constructing the baseline, CBO extends the contract authority provided in law for 2020, the last year of the authorization provided by the FAST Act, at the same level in each of the following years. Thus, the amount of contract authority extended in CBO’s baseline years after 2020 reflects the rescission in 2020. Relative to that baseline, CBO estimates that enacting the bill would increase contract authority for the Federal-Aid Highway Program relative to our baseline by \$75.7 billion over the 2020-2029 period.

For many years, spending of the contract authority provided in transportation legislation has been controlled by limitations on obligations contained in annual appropriations acts. By longstanding convention outlays of such contract authority have been considered discretionary because they are controlled by those obligation limitations. The FAST Act authorized obligation limitations for highway programs through 2020, and CBO expects that practice to continue over the 2021-2029 period. S. 1992 does not specifically authorize



additional contract authority or obligation limitations for the years beyond 2020, therefore CBO estimates that implementing the repeal of the rescission in S. 1992 would not affect obligation limitations over the 2020-2029 period and would have no effect on Federal-Aid Highway Program discretionary outlays.

The estimated budgetary effect of S. 1992 is shown in Table 1. The costs of the legislation fall within budget function 400 (transportation).

**Table 1.
Estimated Budgetary Effects of S. 1992**

	By Fiscal Year, Millions of Dollars											2019-2024	2019-2029	
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029			
	Increases in Direct Spending													
Federal-Aid Highways														
Estimated Contract Authority ^a	0	7,569	7,569	7,569	7,569	7,569	7,569	7,569	7,569	7,569	7,569	37,845	75,690	
Estimated Outlays ^b	0	0	0	0	0	0	0	0	0	0	0	0	0	

- a. Consistent with provisions of the Balanced Budget and Emergency Deficit Control Act for constructing the baseline, CBO extends the contract authority provided by the bill for 2020, the last year of the FAST Act's authorization, at the same amount in each of the following years.
- b. The Congress and the Administration concur that the Federal-Aid Highway Program has a unique budgetary treatment; authorizing laws provide those programs with contract authority but outlays of that contract authority are generally considered discretionary because they are controlled by obligation limitations set in annual appropriation acts.

The CBO staff contact for this estimate Robert Reese. The estimate was reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.