

Q: How Would a Government Shutdown Impact Federal Transportation Programs?

- The Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) would remain open, and construction work would continue on most federal-aid highway, bridge and public transportation projects without interruption.
- Airport construction activity would depend on how local airport authorities manage their capital programs under a shutdown.

Background:

Each federal fiscal year, Congress must enact 12 separate appropriations bills to fund agencies and programs across the federal government. Through the first five-plus months of Fiscal Year (FY) 2024, which began October 1, none have been enacted into law, so government programs have been running on short-term spending bills known as Continuing Resolutions (CRs). The current CR expires March 14.

Negotiators from the Senate and House, with input from Trump administration officials, are working through a number of options: a package of appropriations bills for the remainder of FY 2025, a “year-long CR” that will keep programs running through Sept. 30 at last year’s spending levels, or another short-term CR to allow for continued negotiations. Regardless of the path chosen, Republicans will need Democratic votes, particularly in the Senate, so it is possible no agreement will be reached, resulting in a government shutdown.

For many federal programs, a lack of funds during a shutdown means that activity and employees associated with them must be suspended until resources are provided. However, some federal transportation programs are treated differently. Here is what we know:

Highway Programs. The federal highway program and FHWA employees are supported by the Highway Trust Fund (HTF) and advanced appropriations included in the Infrastructure Investment and Jobs Act (IIJA), not the General Fund (GF), like most other federal programs. The 2021 law authorized trust fund expenditures for FY 2022 through FY 2026, and ensured the fund has sufficient resources to support these investments. As a result, the federal highway programs and FHWA would continue to operate without an appropriations bill. In prior government shutdowns, the Treasury Department has retained sufficient employees to continue reimbursing states DOTs for work being done on projects.

Public Transportation Programs. Similarly, nearly all federal transit programs authorized by the IIJA – with one notable exception – are either funded by the HTF or advanced appropriations included in the IIJA. However, the Capitol Investment Grant program – the primary source of federally-supported funds for transit construction – does receive most of its resources from the GF. Impact on construction projects funded through this program would be up to local transit and rail agencies, who may either stop work or elect to use their own resources to pay contractors until the federal shutdown ends. 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 via the GF and would be furloughed if Congress fails to reach a funding agreement. In the past, air traffic controllers have been exempt 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.

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