The National Beat

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In This Issue

Feature Focus

The Highway Funding Transferability Improvement Act & The Metropolitan Planning Enhancement Act

🔗 The Highway Funding Transferability Improvement Act

The Highway Funding Transferability Improvement Act is a bipartisan proposal introduced in both chambers of Congress during the 119th Congress (2025–2026) and pushed by AASHTO:

- **House version** (H.R. 4926): Introduced by Rep. Harriet Hageman (R-WY) and Rep. Dina Titus (D-NV), a member on the House T&I Committee.
- **Senate companion** (S.1733): Introduced by Sen. Kevin Cramer (R-ND), Chair of the Senate EPW Subcommittee on T&I, and Sen. Angela Alsobrooks (D-MD), the Subcommittee's Ranking Member.

Both bills propose a single amendment to 23 U.S.C. §126(a)**, increasing the percentage of Federal-aid highway funds that states may transfer** between core formula programs, **from 50% to 75%**. Though the legislative change is just one line, it carries substantial implications for how federal highway dollars are managed, distributed, and monitored nationwide.

> **Too Long...Didn't Read (TLDR):** AMPO has concerns about how this bill will impact MPOs; we welcome any MPO comments. Please reach out to Katie Economou, Legislative Director, at keconomou@ampo.org with any questions or feedback on this bill.

Supporters' Perspective: Flexibility and State Control

Supporters, including AASHTO and state DOTs in congressional testimony, argue that states are best positioned to identify their highest-priority infrastructure needs and that existing program silos can constrain responsiveness to urgent or emerging issues.

Sen. Cramer and Sen. Alsobrooks both emphasized that state DOTs face different challenges and that one-size-fits-all program rules can slow project delivery. They argue that expanding transferability enables states to:

- **React quickly** to urgent needs (e.g., bridge failures, freight bottlenecks).
- **Leverage funds for complex or large** projects.
- **Reduce administrative delays** and unspent balances.

Some supporters argue that the increased flexibility is especially **valuable for states with limited budgets or constrained cash flow**, which may need to redirect formula funds quickly to match federal requirements or deliver time-sensitive projects. For these states, a higher transfer cap could: Address funding gaps, allow movement of funds toward urgent or high-cost projects, and reduce the risk of funds lapsing when they cannot be obligated under their original program.

AASHTO has endorsed the proposal, noting it aligns with its long-standing recommendation to increase state transfer flexibility without requiring additional federal approval.

Concerns: Transparency, Accountability, and Congressional Intent

Although concise, the proposal raises significant concerns about accountability, transparency, and congressional intent.

Each federal highway formula program under 23 U.S.C. §104(b) serves a distinct national purpose:

Program	National Goal
HSIP	Reduce fatalities and serious injuries
CMAQ / CRP	Improve air quality and lower emissions
PROTECT	Increase resilience to natural hazards
NHPP / STBG	Maintain and improve the National Highway System and other eligible facilities

Increasing transferability to 75% **could weaken the link between funding and these national objectives**, allowing states to redirect resources intended for safety, emissions reduction, or resilience toward broader or less targeted uses. For example:

- Funds from HSIP could be diverted away from safety investments.
- CMAQ or CRP funds aimed at reducing congestion or emissions could be repurposed for general roadway projects.

Some supporters have also suggested the policy could help states move more funds into transit, however, **current law** already provides substantial flexibility. **Transfers from FHWA to FTA are not currently subject to the 50% cap**, and states can already move funding into transit programs as long as the project is eligible under both statutes. Expanding overall transfer authority therefore does not necessarily increase flexibility for transit purposes.

Transparency Challenges: Transfers are processed through FHWA's **Financial Management Information System (FMIS)** and reported annually. However:

- Transfers **do not require public notice, MPO concurrence, or federal review**.
- **Many MPOs cannot access FMIS directly** due to state-level restrictions/denials, limiting their ability to verify or track if and how funds are shifted after transfer.
    - ***Note:*** Read AMPO's report on unobligated balances and timelines, surrounding the FMIS issue **here**.
- **FMIS is not typically accessible to the general public.**

This reduces visibility for Congress, MPO partners, and the public, potentially undermining the transparency envisioned in federal planning statutes.

Data Context

- **TRB (2022):** **No state transferred more than 30%** of its total Federal-Aid Highway apportionments on average, suggesting the current 50% cap already provides wide flexibility.

- GAO (2025): **Transfers out of CMAQ increased from 10% in FY 2015 to 19%** in FY 2024, indicating a trend of redirecting funds away from congestion reduction and air quality programs toward less restrictive uses.
- FHWA (2024): **33 states transferred funds out of HSIP** and 11 transferred into HSIP between FY 2016–2024. Several states—including WI (~ 36%), NV (~ 33%), and IN (~ 29%), and MD (26%)—shifted more than a quarter of their total HSIP apportionments to other programs.
  - ***Note:*** FHWA's 2022 HSIP Eligibility Guidance Memorandum "strongly encourages States to use most, if not all, HSIP funding for eligible safety purposes," emphasizing that frequent transfers can dilute program intent.
  - ***Note:*** FHWA defines obligations as the extent to which a state uses HSIP funds and cautions that obligation rates are not the sole measure of safety commitment, since states may fund safety work through other programs (e.g., STBG, NHPP).

Policy Implications

This proposal revisits a long-standing tension in transportation policy: **state flexibility vs. federal accountability**.

- Expanding the cap to 75% could further centralize decision-making within state DOTs, with **limited visibility** for regional and local partners.
- It could **weaken congressional guardrails** that ensure funds address national goals like safety, congestion reduction, and disaster resilience.
- MPOs may face reduced predictability for long-term planning if large portions of funds are reallocated.

Congress deliberately maintained the 50% cap in prior authorizations (MAP-21, FAST Act, IIJA) to strike a balance between flexibility and program integrity. Raising it to 75% shifts that balance toward state discretion potentially at the expense of transparency and accountability.

Bottom Line. Supporters view the bill as a way to streamline state flexibility and reduce red tape. Critics caution that it could dilute the purpose of federal programs, reduce transparency, and weaken accountability for outcomes. The current 50% cap already offers broad flexibility while maintaining necessary safeguards to ensure federal dollars continue advancing national performance goals.

🔗 H.R. 5711 – Metropolitan Planning Enhancement Act

Introduced by Representative Mark DeSaulnier (D-CA-10) on October 8, 2025, the Metropolitan Planning Enhancement Act (H.R. 5711) **proposes targeted amendments to Titles 23 and 49 U.S.C. governing federal surface transportation planning.** The bill seeks to expand transparency and accountability in how transportation projects are selected for inclusion in both metropolitan and statewide transportation plans.

The bill could have significant implications for how MPOs, state DOTs, and transit planning organizations document and justify investment decisions.

Note: This is not an AMPO-sponsored or endorsed bill. However, AMPO supports the underlying principles of greater transparency in project selection and stronger alignment between selection criteria, performance measures, and state and regional goals (read more on AMPO's legislative priorities **here**). AMPO has been developing its own proposal on this topic that takes a different approach, emphasizing practical implementation flexibility, respect for regional variation, and capacity-building support for MPOs of all sizes.

TLDR: The bill increases transparency, accountability, and linkage to national goals in state and MPO plans and STIP/TIPs.

What the bill does

At its core, H.R. 5711 adds a new requirement for "Project Selection Transparency and Accountability" in the planning and programming sections of federal law.

- **Mandate Publicly Available Selection Criteria**
  - All projects included in an MPO's MTP or TIP—and equivalently, in a State's STIP—must be chosen through a transparent, public process.
- **Tie Selection to Federal and State Goals**
  - The criteria used must directly support the planning factors listed in **23 U.S.C. §134(h)** and the national performance goals under **§150(b)**—such as safety, congestion reduction, system reliability, freight movement, and environmental sustainability—as well as any relevant state transportation goals.
- **Rank Projects by Performance**
  - MPOs and states would be required to categorize and publicly identify "highest performing" projects based on those criteria. The intent is to show which projects best advance national and state transportation objectives.
- **Require Justification for Exceptions**
  - If lower-performing projects are advanced, agencies would need to provide a public explanation, potentially referencing geographic equity, economic-distress factors, or other contextual needs.

In effect, the bill adds a new evaluative and disclosure layer to existing planning provisions in 23 U.S.C. **§134–135** and 49 U.S.C. **§5303–5304**.

Policy intent

Rep. DeSaulnier has long emphasized data-driven decision-making and government transparency, and this bill continues that theme. The legislation seeks to ensure that federal surface transportation investments are visibly tied to performance outcomes, giving the public a clearer understanding of why certain projects advance over others.

It builds upon earlier iterations of similar concepts introduced by DeSaulnier in prior Congresses (**H.R. 3787** -114th, **H.R. 7962** -116th, **H.R. 2203** -117th, and **H.R. 4482** -118th). None advanced beyond committee, but they established the same principle: align planning choices with measurable results and national policy goals.

Potential impacts on MPOs & state DOTs

- **Increased Documentation and Public Communication**
  - MPOs already conduct performance-based planning under MAP-21 and the FAST Act. However, this bill would formalize public categorization of project performance, requiring MPOs to **publish clear ranking or scoring frameworks**, and likely to maintain accessible reports.
- **Administrative Load**
  - While transparency goals align with sound planning practice, compliance could require **new evaluation tools, staff training, and documentation systems**.
- **Regional Flexibility**
  - Application of **"highest-performing project" language may unintentionally limit MPO discretion to advance regionally important projects** that address local needs not easily captured in quantitative metrics.
- **Alignment with National Goals, But Unclear Funding Tie**
  - The bill reinforces national performance goals under **§150(b)** **but does not create new funding incentives or penalties**. It is essentially a process transparency requirement, not a new formula or grant condition.

Political and legislative context

At introduction, H.R. 5711 had no cosponsors and was referred to the House T&I Committee. However, it arrives as committees prepare for reauthorization, when broader performance-management reforms are already under discussion. So, the bill could serve as a marker proposal (i.e., a concept floated to shape future reauthorization language around project-selection transparency).

The bill underscores **growing congressional interest in performance transparency and public accountability** in transportation decision-making. While many MPOs already practice transparent, data-driven planning, H.R. 5711 would formalize those expectations nationally, making transparency a legal standard rather than a best practice.

Federal Roundup

Congress: *Government Shutdown, Reauthorization, Legislative Activity*
Administration & Agencies: *USDOT and DOE Updates*
NOFOs: *Fed-State Partnership for Intercity Passenger Rail*

Congress

Congressional "Vibe" Check

Government Shutdown. On **September 30**, the White House formally ordered federal agencies to implement their shutdown plans after a short-term funding measure failed to pass the Senate. The federal shutdown entered another week with **no sign of major progress**, as both chambers of Congress remain gridlocked over competing funding bills. The Senate failed to advance either party's continuing resolution and has now canceled its recess to stay in session.

The House, meanwhile, has gone quiet until the Senate acts, effectively sidelining itself from negotiations. As the standoff continues, the administration has begun implementing planned workforce reductions across several agencies. With both sides entrenched, the shutdown's ripple effects are growing, straining operations and leaving federal workers and local partners in limbo. *Read AMPO's analysis of the shutdown effects on USDOT **here**.*

- 🔗 **USDOT Avoids First Wave of Federal Layoffs**: USDOT has not been affected by the first round of mass layoffs carried out by the administration as the government shutdown continues. Thousands of federal employees across other federal departments were dismissed last week (i.e., the administration shared that officials issues RIF notices for **more than 4,000 employees** so far during the shutdown). A court filing indicated that additional agencies are weighing similar actions, leaving open the possibility that USDOT could still face reductions. The layoffs are part of a broader strategy led by OMB Director Vought to trim the federal workforce and likely to increase pressure to end the shutdown. While USDOT declined to comment, officials confirmed that a growing number of employees have accepted offers to delay their resignations amid the funding stalemate.
    - 🔗 **Court Blocks Administration's Shutdown RIF Plans:** A federal judge in California temporarily halted the administration's effort to lay off employees at EPA, the Department of Energy, and other agencies amid the ongoing government shutdown. Judge Illston ruled that such actions cannot be justified by a lapse in funding. A written order formalizing the temporary restraining order is expected soon.
    - 🔗 **Democrats Push to Reverse Federal Layoffs in Shutdown Talks**: Democrats are demanding that thousands of federal workers fired under reductions-in-force be reinstated as part of any deal to end the shutdown. A judge has already halted some layoffs (above), but the administration says cuts could exceed 10,000 jobs.

- 🔗 [Transparency Slows During Shutdown]: FOIA processing and routine disclosure are stalling across federal agencies during the shutdown, as furloughs affect staff who review records and maintain public-facing sites. Agencies have posted warnings of delayed responses, and watchdogs note backlogs will grow even though statutory FOIA deadlines keep running, raising potential liability once operations resume. Several portals (e.g., USA spending updates) report limited service, while others like Regulations.gov and the Federal Register continue operating with reduced support. The net effect: slower access to public records now and a larger processing crunch when funding is restored.

Reauthorization. Authorizing committees are in the process of drafting base legislative text. The introduction of reauthorization bills and Committee markups is anticipated in the fall. Based on what we're hearing, base text in the house could be circulated sometime between late October and December. This is an opportune window for MPOs to elevate priorities directly with delegations (**Pro Tip:** use AMPO's **MPO Engagement Toolkit**).

What's Making Headlines?

- 🔗 **Senate Approves Bipartisan ROAD to Housing Act:** The Senate overwhelmingly passed the bipartisan ROAD to Housing Act, marking the most significant federal housing reform effort in more than a decade. Co-led by Senators Elizabeth Warren (D-MA) and Tim Scott (R-SC), the bill seeks to tackle the nation's housing shortage and rising costs through a mix of local incentives, regulatory reform, and expanded financing options. It rewards communities that boost housing supply, **aligns federal transportation and housing investments**, streamlines federal rules that slow affordable development, and modernizes programs such as Section 8, RAD, and FHA lending. The bill now heads to the House, where bipartisan supporters hope to move it swiftly to the President's desk.

- 🔗 **Senate Adds Coast Guard Bill to Defense Authorization Package:** The Senate advanced its version of the FY 26 National Defense Authorization Act (NDAA) on October 9, attaching a two-year Coast Guard reauthorization measure as part of a broad amendment package. The Coast Guard language extends authorization for FYs 2025–2026 and includes provisions addressing fleet modernization, maritime safety, and personnel programs. The House passed its own Coast Guard bill earlier this year, and negotiators must now reconcile the two versions. Because the Senate incorporated its proposal into the must-pass NDAA, lawmakers expect the final Coast Guard reauthorization to move forward within the larger defense package rather than as a separate bill.

Administration & Agencies

- 🔗 **Trump Puts Political Appointees in Charge of Hiring Federal Agency Staff**: President Trump signed an executive order creating agency "strategic hiring committees" that include top political appointees and requiring annual staffing plans to align career hiring with administration priorities, coinciding with the expiration of a months-long hiring freeze during the shutdown. The White House says hiring will focus on "essential functions," while the federal workforce has **already declined by more than 200,000** since the start of

Trump's second term, according to the Partnership for Public Service. The move could continue attrition-driven staffing cuts, even as a federal judge the same day temporarily blocked the push to carry out reduction-in-force layoffs during the shutdown (see above).

USDOT

- 🔗 **FTA Presses SEPTA to Repay $40 Million for Cancelled Project**: FTA is demanding that Philadelphia's transit agency, SEPTA, **return more than $40 million in federal funds after canceling a contract to purchase new rail cars**. In a letter sent to SEPTA General Manager Scott Sauer, FTA said the agency must reimburse funds tied to the unfinished project. SEPTA argues that some of those expenses should count toward eligible improvements that could strengthen future procurements and has asked to reduce the repayment by roughly $27 million. The dispute comes as SEPTA faces mounting financial and operational challenges. SEPTA says it is working to meet the federal inspection deadline and resolve the funding issue with FTA.

- 🔗 **USDOT Presses Transit Agencies to Step Up Safety Efforts**: USDOT has warned several major transit agencies to take stronger action to improve safety and reduce fare evasion **or risk potential funding consequences**. In letters sent last month, Secretary Duffy directed the agencies to **outline how they plan to use federal and local funds to enhance security** over the next two years, part of a wider push by USDOT following increases in assaults and fatalities on transit systems since 2020. FTA Administrator Molinaro has made rider safety a top priority, while local leaders point to progress through more patrols, new surveillance technology, and station improvements. This despite the fact that car and light truck passengers have a much higher fatality rate compared with transit riders. Still, with many agencies facing budget strain and project delays, the warning highlights the tension between federal oversight and the need for stable funding to sustain safety upgrades and rebuild public confidence in transit.

- 🔗 **USDOT Withholds $40M from California over ELP Rule for Truck Drivers**: USDOT is suspending $40 million in federal transportation funds to California, claiming the state failed to enforce new federal English-language proficiency (ELP) requirements for commercial truck drivers. Secretary Duffy said the state's noncompliance violates federal safety standards and announced that California's Motor Carrier Safety Assistance Program **funding would be frozen until the state adopts and enforces compatible laws**. California officials countered that their existing licensing rules already meet federal standards, arguing the move is politically motivated and noting the state's truck crash fatality rate is far below the national average. USDOT noted the funding will remain blocked until California conducts on-the-spot English assessments during roadside inspections.

DOE

- 🔗 **DOE Potential Cuts to Electric Vehicle Programs**: The Department of Energy (DOE) is reportedly considering terminating up to $24 billion in EV-related grants and loans, expanding on $7.5 billion in cancellations announced earlier this month. A list circulating on Capitol Hill includes funding for factory conversions, battery startups, and EV charging initiatives. Also listed are smaller grants supporting rural charging infrastructure, school bus electrification, and public education campaigns. DOE officials have not confirmed the authenticity of the list, saying only that no new determinations have been made beyond previously announced cancellations. The potential cuts would mark a sharp reversal of federal efforts to expand EV manufacturing and infrastructure under the IIJA and IRA.

Notice of Funding Opportunities

Note: due to the government shutdown (read AMPO's summary **here**), expect delays in issuing new NOFOs, making selections, or signing/amending grant agreements until a CR/full-year law restores funding authority.

Open USDOT NOFOs

- 🔗 **Federal-State Partnership for Intercity Passenger Rail Grant Program – National** : This FRA program provides funding for capital projects that reduce the state of good repair backlog, improve performance, or expand or establish new intercity passenger rail service, including privately operated intercity passenger rail service.
    - **Deadline:** January 7, 2026

Upcoming NOFOs

- 🔗 **Strengthening Mobility and Revolutionizing Transportation (SMART) Grants – R2**: Stage 2 grants are up to $15,000,000 and 36 months. Only recipients of Stage 1 grants, or eligible entities designated by prior Stage 1 recipients, are eligible to apply for Stage 2.
    - **Expected Release:** Late fall.

- 🔗 **Tribal Transportation Program Safety Fund (TTPSF)**: FHWA Program to address transportation fatalities and injuries severely impact the quality of life in Indian country. Multijurisdictional groups are eligible to apply.
    - **Expected Release:** October 1, 2025

➡️ Access **AMPO's NOFO Tracker** here.

National News

- 🔗 **Transit Funding Cuts Raise Concerns Over Environmental and Mobility Impacts**: The administration has paused or withdrawn billions of dollars in federal support for several major public transit and active transportation projects across the US (read AMPO's analysis **here**). Public transit accounts for billions of annual trips nationwide and is seen by many experts as a key tool for reducing traffic congestion and transportation-related greenhouse gases, which make up about 28% of US emissions. The administration has also revisited policies supporting electric vehicles and infrastructure for people walking and bicycling. As funding debates continue in Congress amid the shutdown, local agencies are weighing how to sustain planned improvements and maintain service levels without new federal dollars.

- 🔗 **Brookings: Making Transportation Spending More Efficient**: Brookings and AEI researchers outlined five ideas to make U.S. transportation spending more efficient: streamline NEPA permitting (Liscow), create a federal "Priority List" to fast-track key projects (Schleicher), level the playing field for private airport investment (Poole), cut bus costs through standardization and competitive procurement (Glaeser et al.), and require real-time data sharing from EV chargers to ease range anxiety (Asensio et al.). Together, the proposals aim to reduce costs, speed project delivery, and improve transparency in how transportation dollars are spent.

- 🔗 **GM Reports $1.6 Billion Loss After Rollback of EV Incentives:** General Motors announced a $1.6 billion financial hit tied to the administration's rollback of federal EV incentives and emissions standards. The company disclosed in an SEC filing that the end of the $7,500 EV tax credit on Sept. 30 and weaker consumer demand prompted it to scale back future EV investments. GM said the loss reflects reassessment of major spending on battery and component manufacturing, though production of its current Chevrolet, GMC, and Cadillac electric models will continue. "We are a strong and flexible company," spokesperson Jim Cain said, adding that the charge reflects "bookkeeping adjustments" for slower-than-expected EV sales growth.

Recent Editions

October 9th (2025)

- **Federal Focus (10/1):** USDOT IFR on DBE Program, USDOT Holds $18 Billion in New York Transit Funding, FY 26 FHWA Apportionment of Funds

October 1st (2025)

- **Federal Focus (10/1):** Government Shutdown, Grant Cancellations, Obligation Deadlines on IIJA Funds, FTA FY 25 Apportionments, & CEQ NEPA Implementation Guidance

August 29th (2025)

- **Federal Focus (8/29):** APTA Survey Preliminary Results & USDOT RFI Extension

August 22nd (2025)

- **Federal Focus (8/22):** USDOT's SAFE ROADS Initiative FAQ & USDOT's Reauthorization RFI Comment Period Extension

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