AMPO

The National Beat

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In This Issue

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Feature Focus

Continuing Resolution & Surface Transportation Reauthorization Extension, Survey on Water Quality/Infrastructure Planning

Senate Continuing Resolution & Surface Transportation Extension

Background

Congress is moving closer to a short-term extension of the federal surface transportation law, ahead of the IIJA expiring on Sept. 30. On Aug. 2, Senate Appropriations Committee Chair Susan Collins (R-ME) and Vice Chair Patty Murray (D-WA) released a bipartisan continuing resolution (CR). At a high level, the CR would:

- **Fund the federal government through Dec. 11, 2026**
- **Extend federal surface transportation programs for 72 days**
- **Continue Highway Trust Fund (HTF) spending authority**
- **Temporarily block** OMB's proposed federal grants rule
- **Would not preserve the full transportation funding level provided under** IIJA Division J advance appropriations **funding**

TL;DR: *The Senate CR would fund the federal government through Dec. 11, extend surface transportation programs for 72 days, and continue HTF spending authority. It would also temporarily block OMB's proposed grants rule, but it would not preserve the full transportation funding level provided through the IIJA's Division J advance appropriations. Unlike the Senate proposal, the House-passed CR runs through Dec. 4 and does not include a surface transportation extension. Because the two proposals differ, the House and Senate will need to reconcile them when Congress returns from the August recess.*

What the Senate Extension Would Do

Division C of the Senate package is called the Surface Transportation Extension Act of 2026. It would extend existing highway, transit, rail, safety, and related transportation authorities of the IIJA from Oct. 1 through Dec. 11.

The proposal is largely a "clean extension," meaning it continues current law rather than making major policy changes (*see **last week's edition** for more background and history on extensions*). Existing program requirements, eligibilities, limitations, suballocation structures, and administrative rules would generally remain in place during the extension. The proposal would give Congress another 72 days to continue working on a longer-term surface transportation bill.

Funding Would Continue at a Partial-Year Level

The extension would provide 72 days of FY 2027 HTF funding, about **19.7 percent of FY 2026 levels**. The highway obligation limitation would be prorated by the same amount, and funds would be distributed under existing FY 2026 rules.

For MPOs, the practical effect is that **core formula programs would have a path forward into FY 2027**. PL, STBG, CMAQ, the Carbon Reduction Program, transit formula programs, and other **HTF-supported activities would not lose their authorization on Oct. 1**.

Note: Continuity matters. Without an extension, USDOT would lose authority to make new HTF obligations after Sept. 30, even if the federal government remained open under a CR.

The Major Gap: Division J is Not Extended

The extension **does not cover** **Division J**, which provided the IIJA's five years of advance appropriations. Division J provided USDOT with an additional **$36.8 billion per year** from FY 2022 through FY 2026. Unlike HTF contract authority, Division J funding came from the General Fund and was provided in advance, allowing programs to plan around several years of guaranteed funding. That funding supported major programs across USDOT.

Division J advance appropriation funding includes programs such as:

- **FHWA:** Bridge Investment Program (BIP), Reconnecting Communities, INFRA
- **FTA:** Low-No Emission Bus program, ASAP, CIG, State of Good Repair
- **FRA:** CRISI, RCE, Fed-State Partnership for Intercity Passenger Rail grants
- **OST:** National Culvert Removal, Replacement, and Restoration grants, SS4A, SMART

*See Full List of Division J programs **here**. See Senate Fact Sheet on Division J Cliff **here**.*

The funding at risk includes:

- **$10.8 billion for 10 formula programs**, including the Bridge Formula Program, airport infrastructure grants, transit state-of-good-repair funding, NEVI, and highway safety programs.
- Approximately **$26 billion for competitive programs**, including SS4A, BUILD, INFRA, CRISI, Reconnecting Communities, and transit accessibility grants.

Some programs may still receive funding through the HTF or annual appropriations, and agencies may continue using available prior-year balances. Existing awards would not automatically be canceled. However, the CR would provide no new FY 2027 Division J installment to support these formula allocations or future grant competitions.

The extension would prevent the core surface transportation program from expiring, but it would not prevent a **significant decline in overall federal transportation investment**. This is why AMPO and a **broad coalition of industry stakeholders** have urged Congress to maintain the funding level provided through Division J.

Other Transportation Provisions in the Senate CR

Division A includes several targeted transportation adjustments, commonly known as "anomalies." These provisions address specific accounts or circumstances that a standard CR would not handle effectively.

OMB Grant Rule Would Be Temporarily Blocked

The proposal would temporarily prevent OMB from issuing or finalizing its proposed **Regulation for Federal Financial Assistance**, through Dec. 11 (i.e., the CR period). If the rule were issued or finalized before the CR became law, it would have no force or effect through Dec 11. For MPOs and other federal grant recipients, the provision would provide short-term relief from the uncertainty surrounding the proposal's potential effects on grant approval, termination, reimbursement, and administrative requirements (read AMPO's analysis **here**).

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Capital Investment Grant Funds

The bill would extend the availability of certain FY 2018 Capital Investment Grant (CIG) funds through FY 2031, but only for the **liquidation of valid obligations incurred during FY 2018 through FY 2021**. This would allow FTA to continue covering costs tied to a limited group of older CIG obligations; it would not provide new CIG funding.

One-Time IIJA Transfers Would Not Be Repeated

The FY 2026 law redirected certain unobligated IIJA balances to six USDOT accounts (*read AMPO's analysis of FY 2026 law **here***). Section 148 prevents that one-time transfer from being repeated under the new CR, while allowing the accounts to continue at the temporary FY 2026 funding rate.

Highway Infrastructure Program Balances – FY 2023 Earmarks

The CR would give sponsors of certain Community Project Funding and Congressionally Directed Spending projects (i.e., "earmarks"), until Sept. 30, 2027, to obligate any remaining funds. Already obligated funds would not be affected.

Essential Air Service

The bill would allow the Essential Air Service program to receive funding at the rate necessary to maintain operations through Dec. 11. The program subsidizes commercial air service to eligible rural communities.

What This Means for MPOs

Core Formula Programs Would Continue: The CR would prevent core formula surface transportation programs from expiring.

Funding Would Be Partial and Temporary: The extension would provide only a portion of FY 2027 funding. It would not determine: Full-year FY 2027 funding levels, the policies included in the next reauthorization, whether Congress will complete a multi-year bill before December 11.

Current Program Rules Would Remain in Place: Because the proposal is a "clean extension," it would not enact policy changes currently being considered through reauthorization.

Competitive Funding Could Be Less Certain: Because the CR does not provide a new FY 2027 Division J installment, USDOT could not fund new competitions with those dollars. However, competitions could still move forward where prior-year balances or other funding sources remain available.

Dec. 11 Becomes the Next Deadline: The extension would give Congress more time, but it would not resolve reauthorization. Before Dec. 11, lawmakers would need to either enact a new multi-year surface transportation bill or approve another extension to keep programs operating.

The House is further along in the process: the House Transportation and Infrastructure Committee approved the **BUILD America 250 Act** by a bipartisan 62-2 vote in May, but the legislation has not yet received a House floor vote. In the Senate, the three committees with primary responsibility for the policy portions of reauthorization (i.e., EPW, Banking, and Commerce) have not yet released their respective legislative texts.

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With a crowded congressional calendar and the midterm elections limiting the number of legislative days available, it remains uncertain whether Congress can complete a full reauthorization before Dec. 11. Lawmakers could attempt to finish the bill during the post-election lame-duck session, but another short-term extension remains a real possibility.

AMPO Position

Including a surface transportation extension in the CR is an important step. It would prevent unnecessary disruption to core programs and provide additional time for Congress to complete a longer-term bill. However, the proposal does not preserve the full level of transportation investment provided under the IIJA. Division J has supported critical projects that cannot be addressed through HTF formula programs alone. AMPO supports maintaining that overall level of investment while also directing more federal transportation funding through predictable, flexible suballocated formula programs, particularly STBG, and preserving effective locally focused programs such as SS4A.

What Happens Next

Senate leaders are aiming to approve the package today before lawmakers leave Washington for the August recess. If the Senate passes the legislation, it will still need to return to the House. The House-passed CR runs through Dec. 4 and does not include a surface transportation extension, meaning the House would need to accept the Senate proposal or the two chambers would need to negotiate an agreement. Both chambers must approve identical legislation before it can be sent to the President.

AMPO & NARC Launch Regional Water Infrastructure Planning Survey

AMPO and NARC are surveying MPOs and regional planning organizations about their involvement in water quality and infrastructure planning, including stormwater, flood resilience, watershed planning, utility coordination, culverts, and green infrastructure. Responses, due **Sept. 7**, will help identify funding sources, barriers, technical assistance needs, and how Clean Water State Revolving Fund regional pass-through funding is used across states. You can access the survey here.

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Federal Roundup

Congress: *Reauthorization and Legislative Activity*
Administration: *USDOT, EPA, & FEMA*

Congress

Congressional "Vibe" Check

Reauthorization. Reauthorization activity continues to accelerate as committees refine draft language that shapes the next surface transportation bill.

Where things stand:

- **House T&I**. **The BUILD America 250 Act was passed out of committee on May 21 with a 62-2** vote following a nearly 15-hour markup that considered nearly 300 amendments. The **bill authorizes approximately $580 billion**, with 90% available through formula funding, a significant shift from the IIJA's heavier reliance on competitive grants.
    - The bill still needs action from the House Ways and Means Committee on its revenue provisions before it can move to the House floor.
    - Full House consideration of **the bill will have to wait until after August recess** once Members of Congress return in September.

- **Senate.** EPW is the furthest along of the Senate authorizing committees. Chair Shelley Moore Capito (R-WV) is **targeting September for release of the committee's highway title** and has indicated that EPW needs to move before the Banking, Commerce, and Finance committees finalize the transit, rail, safety, and revenue portions of the broader package. Her goal is to complete the full bill by the end of the year.

The Buzz on Reauthorization

- 🔗 **Sen. Murray Publishes Fact Sheet on IIJA Advance Appropriation Fiscal Cliff:** Senate Appropriations Committee Ranking Member Patty Murray (D-WA) published a fact sheet highlighting the potential fiscal funding cliff from the expiration of the IIJA, which provided $567 billion in predictable, multi-year transportation funding through a combination of Highway Trust Fund contract authority and $184 billion in advance appropriations. With IIJA set to expire on Sept. 30, 2026, failure to extend advance appropriations could create an immediate $36.8 billion funding cliff in FY2027, including the loss of nearly $10.8 billion in formula funding for programs supporting bridges, airports, transit, EV charging, and highway safety. Popular competitive grant programs, including BUILD, SS4A, INFRA, CRISI, PIDP, and Reconnecting Communities, would also face significant cuts or elimination despite being oversubscribed.
- 🔗 **Climate Mayors & National Association of City Transportation Officials (NACTO) Letter on the BA250 Act:** The Climate Mayors and NACTO, urged Congress to strengthen the BUILD America 250 Act by increasing direct local investment, protecting existing grant commitments,

expanding safety funding, and supporting transit, passenger rail, and resilient infrastructure. The letter argues that the bill should better address affordability, roadway safety, and climate resilience while calling for a clean IIJA extension with continued advance appropriations if a long-term reauthorization cannot be completed before the September 30 expiration.

- 🔗 **Report Finds TA Funding Falls Short of Demand**: Rails to Trails Conservancy's FY 2025 analysis found that the Transportation Alternatives Set-Aside remains oversubscribed by roughly 4.5 to 1, despite increased funding under the IIJA. The report also highlights continued barriers related to state transfers, match requirements, and technical assistance, while calling for stronger funding and policy reforms in the next reauthorization.

Introduced Legislation Related to Reauthorization

Whether you want to see what marker bills could be included in the next surface transportation reauthorization or are curious about what Congress is working on, AMPO is tracking all relevant legislation that has been introduced since December 2025. Please refer to our legislation tracker to see what bills have been introduced, who introduced them, and what they would do.

➡️ **119th Weekly Congress Legislation Tracker**

What's Making Headlines? A number of issues on the Hill are drawing attention this week outside of reauthorization.

- 🔗 **House to Introduce Legislation to Remove Traffic Surveillance Cameras:** A proposed federal bill led by Rep. Thomas Massie (R-KY) targeting surveillance cameras could unintentionally ban speed and red-light cameras by conflating them with systems like Flock's license plate readers, which collect far broader data. Critics argue that automated traffic enforcement tools are narrowly focused on specific violations and improve road safety, and that efforts to eliminate them would increase traffic deaths without addressing concerns over mass surveillance.

Administration & Agencies

USDOT

- 🔗 **USDOT Releases Updated National Roadway Safety Strategy**: USDOT released its 2026 National Roadway Safety Strategy, organized around three objectives: Safer People, Safer Roads, and Safer Vehicles. The strategy retains the Safe System approach but places more emphasis on law enforcement partnerships, rural and Tribal safety, post-crash care, congestion and incident management, commercial vehicle enforcement, truck parking, vehicle technology, and automated vehicles. For MPOs, notable priorities include evidence-based roadway design, ITS and TSMO deployment, work-zone safety, and use of the SS4A program to support emergency-response and post-crash-care. USDOT estimates that 36,640 people died in motor vehicle crashes in 2025 and says the strategy's key actions are intended to guide departmental work through December 2028.
    - *Note: the updated strategy gives* ***far less direct attention*** ***to bicyclists, pedestrians, Complete Streets, and speed management than the 2022 NRSS****. While it retains the*

Safe System approach and broad references to protecting all road users, the new framework shifts its emphasis toward enforcement, congestion management, CMV safety, and vehicle technology.

- 🔗 **Coalition Urges Congress to Review FHWA Removal of Safety Countermeasures**: A coalition of transportation safety and active transportation organizations sent a letter to leaders of the Senate EPW and House T&I Committees urging Congress to review FHWA's removal of five Proven Safety Countermeasures: bicycle lanes, road diets, speed safety cameras, variable speed limits, and appropriate speed limits for all road users. The coalition argues that FHWA did not provide a public, evidence-based justification for the changes and is asking lawmakers to press the agency to restore the countermeasures and establish a transparent technical review process for future additions or removals. Because **state DOTs, MPOs, and local agencies rely on these resources to guide project selection and support safety investments**, the coalition warns that the removals could create uncertainty for agencies seeking to justify, design, and fund roadway safety projects.
    - Recently, the National Association of City Transportation Officials (NACTO) **republished resources** for the five countermeasures, noting that they remain supported by research and real-world results and will continue to be used by local transportation agencies.
- 🔗 **ITS JPO to Host Webinar on AI Procurement**: The ITS Joint Program Office will host a national webinar on Sept. 17 from 1 to 4 PM (ET) covering emerging challenges, effective practices, and shared terminology for public-sector AI procurement. The event is open to leadership, management, and technical staff from multimodal transportation agencies.
- 🔗 **FRA Updates Noise Standards for High-Speed Rail**: FRA revised noise rules for trains operating above 160 mph, creating new compliance pathways intended to reduce regulatory barriers and equipment-modification costs for high-speed rail projects.
- 🔗 **NHTSA Launches $20 Million Traffic Enforcement Grant Program**: NHTSA announced a new $20 million program to help local law enforcement test technologies, data tools, partnerships, and training aimed at reducing impaired, distracted, and reckless driving as well as speeding and failure to use seatbelts. The agency is encouraging applicants to pair innovative approaches with evidence-based strategies such as high-visibility enforcement and publicized checkpoints.
- 🔗 **FAA Awards $870 Million for Airport Improvements**: FAA awarded 339 Airport Infrastructure Grants across 44 states and two territories for runway, terminal, roadway, safety, and other airport improvement projects.
- 🔗 **USDOT and DHS Announce Second Operation Highway Shield Sweep**: USDOT and the Department of Homeland Security reported that a three-day operation in Illinois, Indiana, Iowa, and Ohio placed 766 drivers and vehicles out of service and resulted in 86 arrests for alleged offenses. The agencies also reported 51 immigration-related detentions, 36 English-language-proficiency violations, and the recovery of stolen cargo. The operation focused on commercial driver qualifications, vehicle safety, licensing compliance, and criminal activity along major freight corridors.

EPA

- 🔗 **Federal Judge Halts Claw back of Energy Grants by EPA:** A federal appeals court ruled that EPA cannot reclaim billions of dollars in frozen Inflation Reduction Act green energy grants, allowing nonprofit recipients to begin accessing the funds as soon as next week unless the Supreme Court intervenes. The decision keeps in place a lower court's finding that EPA likely acted unlawfully in terminating the grants, though the legal dispute over the program's future will continue in district court.

- 🔗 **EPA Watchdog Flags Weaknesses in Grant Reimbursement Oversight**: EPA's Office of Inspector General found that the agency lacked sufficient documentation for 74 percent of the sampled grant costs it reviewed, totaling $26.7 million, across EPA's general grant and Clean School Bus programs. The audit did not identify fraud but concluded that EPA had not adequately justified its low-risk oversight approach or consistently verified expenses. The watchdog recommended stronger documentation, updated procedures and training, and additional review of the Clean School Bus program.
- 🔗 **Analysis Finds EVs Produce Lower Emissions Nationwide Despite EPA Data Gap**: A Union of Concerned Scientists analysis found that the average electric vehicle produces lower heat-trapping emissions than the average new gasoline vehicle in every U.S. grid region, even after accounting for electricity generation. The analysis also notes that EPA has not released its expected 2024 eGRID update, requiring researchers to reconstruct the dataset using EPA's methodology and other public data.

FEMA

- 🔗 **GAO Warns FEMA Staffing Shortages Could Undermine Disaster Response**: The Government Accountability Office (GAO) has found that FEMA faces critically low staffing levels, has lost institutional knowledge, and lacks a clear workforce strategy, limiting its ability to respond effectively to major disasters. The warning comes as regions across the country face multiple ongoing disasters, increasing concerns about FEMA's capacity to support affected communities.

National News

- 🔗 **Amtrak Seeks Public Input on Major Restructuring Proposal**: Amtrak is considering a new structure with a parent company overseeing separate passenger service, infrastructure, and fleet-management businesses. Amtrak says the changes could improve decision-making, cost transparency, and performance, and is accepting public comments through **Oct. 30** before presenting a formal proposal to its board in December. Amtrak has said the effort is not intended to privatize the railroad, though passenger advocates are urging close coordination with Congress, states, and the upcoming surface transportation reauthorization.
- 🔗 **Study Links Housing Location to Reduced Driving**: A UC Berkeley and UCLA study found that California's planned housing growth could reduce statewide vehicle miles traveled by about 1 percent, with substantially greater reductions possible when homes are concentrated in transit accessible and walkable neighborhoods. The report calls for stronger state guidance, better data, and more technical assistance to help local governments better align housing decisions with transportation and environmental goals.
- 🔗 **Florida Proposed Tax Amendment Effort is Delayed by Federal Judge:** A Florida judge ruled that the ballot language for a proposed constitutional amendment to expand the state's

homestead property tax exemption is misleading and politically biased, ordering it to be rewritten before appearing on the November ballot. The ruling does not remove the measure from the ballot but requires a neutral rewrite unless the state successfully appeals, creating uncertainty over the amendment's final wording.

- 🔗 **TxDOT Expands Use of AI Across Transportation Operations**: TxDOT is using artificial intelligence to monitor infrastructure, analyze crash and traffic data, improve congestion management, and automate administrative tasks such as invoice reconciliation. TxDOT says its approach is guided by an evolving AI strategic plan and existing governance processes focused on data privacy, risk, and responsible use.
- 🔗 **Oklahoma City Considers Dedicated Transit Funding**: Oklahoma City Mayor David Holt proposed a regional sales tax to support bus, rail, and street improvements as the metro grows. The plan would require approval from Oklahoma City, Norman, and Edmond before potentially going to voters in 2027.
- 🔗 **Teamsters Challenge California's Autonomous Truck Rules**: The California Teamsters sued several state agencies seeking to block regulations that would allow commercial vehicles weighing more than 10,000 pounds to apply for autonomous operation on public roads. The union argues the state failed to adequately assess economic and workforce impacts, while supporters say autonomous trucking could improve safety and address driver shortages.
- 🔗 **States Target Illegal E-Motos but Risk Burdening Legal E-Bikes**: Lawmakers are responding to safety concerns over high-speed electric motorcycles marketed as e-bikes, but some proposals would also impose licensing, registration, or insurance requirements on legal low-speed e-bikes. Advocates argue that states should instead focus on enforcement against illegal e-motos, an approach also reflected in the proposed federal Safe SPEEDS Act.

💲 Notice of Funding Opportunities

- 🔗 **Innovative Coordinated Access and Mobility (ICAM) Pilot Program:** Provides competitive funding to support innovative projects for transportation disadvantaged populations that will improve the coordination of transportation services and non-emergency medical transportation services.
    - **Deadline:** Sept. 9, 2026
- 🔗 **Buses and Bus Facilities Infrastructure Program:** The Grants for Buses and Bus Facilities Competitive Program (49 U.S.C. 5339(b)) makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low- or no-emission vehicles or facilities.
    - **Deadline:** Sept. 21, 2026
- 🔗 **Low or No Emission Grant Program:** The Low or No Emission competitive program provides funding to state and local governmental authorities for the purchase or lease of zero-emission and low-emission transit buses as well as acquisition, construction, and leasing of required supporting facilities.
    - **Deadline:** Sept. 21, 2026

- 🔗 **Bus Safety, Accessibility, and Innovation Research Program:** Supports the development of standard designs and prototypes that will make existing and new buses safer for operators, riders and vulnerable road users, as well as more accessible for passengers.
    - **Deadline:** Sept. 28, 2026

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

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