Estimating Cash Balances

Beginning Year Cash Balance
+ Receipts
- Outlays

= End of Year Cash Balance
Factors in Determining the Cash Balance

- Estimated obligations are based on the obligation limitations established by SAFETEA-LU
- Outlays are derived from the estimated obligations
- Estimated receipts are calculated by the Department of Treasury
Highway Account of the Highway Trust Fund

- The **Highway Account** balance is calculated based upon estimated **outlays** from:
  - The Federal Highway Administration (FHWA)
  - The National Highway Traffic Safety Administration (NHTSA)
  - The Federal Motor Carrier Safety Administration (FMCSA)
Mass Transit Account of the Highway Trust Fund

- The **Mass Transit Account** balance is calculated based upon **outlays** from the:
  - Federal Transit Administration (FTA)
Latest Estimated Cash Balances: Highway Account of the HTF

Highway Account Cash Balance

- Actual Data
  - 2004: $10.8 billion
  - 2005: $10.6 billion
  - 2006: $8.9 billion
  - 2007: $7.7 billion
  - 2008: $3.7 billion
  - 2009: $-0.2 billion
  - 2010: $-4.2 billion
  - 2011: $-8.3 billion

- Estimated
  - 2004-2011

$ in Billions

Fiscal Year

2004 2005 2006 2007 2008 2009 2010 2011
Latest Estimated Cash Balances: Mass Transit Account of the HTF

Mass Transit Account

$ in billions

-3.0 -2.0 -1.0 0.0 1.0 2.0 3.0 4.0 5.0 6.0 7.0 8.0

2004 2005 2006 2007 2008 2009 2010 2011

Actual Data Fiscal Year Estimated

3.8 2.0 6.2 7.0 6.2 4.1 1.0 -1.9
Negative Balances

- A negative balance reflects the gap between estimated future spending and estimated future receipts.
- A sustained negative balance in our estimates reflects what would happen if future spending is continued at SAFETEA-LU levels.
- This gap indicates the timeframe during which a solution needs to be identified.
Would all spending stop if the Highway Trust Fund ran out of cash?

- No. Spending on programs would continue as new receipts are received.
- New receipts would continue to be available to cover old obligations.
The next few years…

**SAFETEA-LU**

- **FY 2007**
  - July 2007: Midsession (next HTF Forecast)
  - January 2007: 110th Congress

- **FY 2008**
  - July 2008: Midsession (HTF Forecast)

- **FY 2009**
  - FY 2009
    - Increased risk of Highway Account running out of cash
  - July 2009: Midsession (HTF Forecast)
  - January 2009: 111th Congress

- **FY 2010**
  - FY 2010
    - Highway Account has limited funds for new programs
    - Limited cash available to cover extension bills
    - Impacts FHWA, NHTSA, FMCSA and FTA “flexed funds”
  - Sept 30 2009: SAFETEA-LU Ends
  - Oct 3 2010: FY 2011
    - Mass Transit Account has very limited funds to cover new programs
  - Oct 3 2010: At risk…

- **FY 2011**
  - Oct 3 2010: $0 in HA
  - Oct 3 2010: $0 in MTA

**October 2009:**
Next Reauthorization Period Begins…