FISCAL YEAR 2020 TrADE ANALYSIS

Legislative Loophole Bleeds Billions From Federal Active Transportation Investment

For nearly 30 years, the Transportation Alternatives (TA) program, America's largest federal funding source for walking and biking infrastructure, has supported the creation of multiuse trails in hundreds of communities. Current loopholes in the program, however, have enable funds to be spent beyond their intended purpose, resulting in $1.5 billion being transferred away from the program for other uses since 2012.

As the United States sees unprecedented demand for trails, walking and biking—and Congress actively prepares to finalize transportation reauthorization—there is an imminent opportunity to close this loophole, which has been detrimental, for a decade, to the development of America's active transportation infrastructure. The following analysis—implemented through Rails-to-Trails Conservancy's (RTC's) Transportation Alternatives Data Exchange (TrADE), with data from the Federal Management Information System (FMIS)—provides a snapshot of this issue.

Transfers After MAP-21 and FAST Act

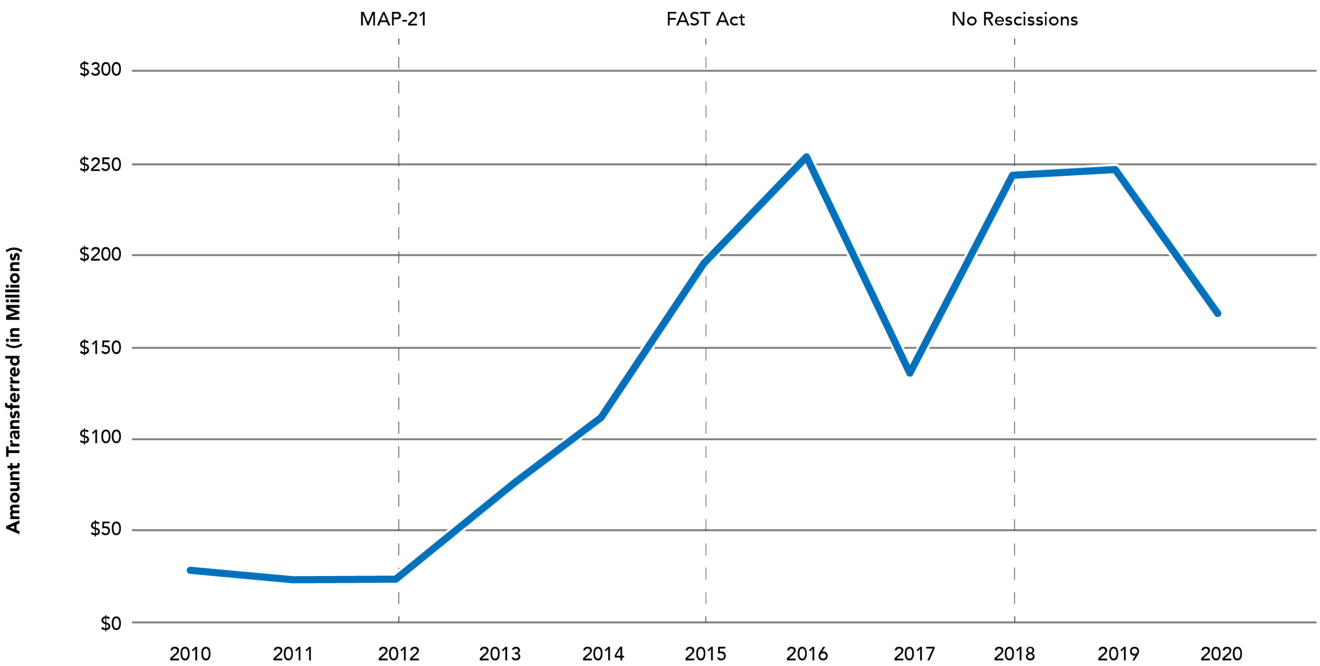

Figure 1

Impact of Inter-Program Transfers on Active Transportation

TA funds (formerly known as Transportation Enhancements, or TE) are critical to the creation of active transportation infrastructure, like trails, which safely connect people to each other, create economic vitality and promote healthy outdoor mobility. When these funds are used as intended, the benefits are widespread, generating billions of dollars in direct economic benefits.[i] When they're not … the impact is detrimental on communities who have limited funds for walking and bicycling facilities, and who therefore cannot complete projects vital to regional safety, health and economic development.

The two most recent federal surface transportation bills—the Fixing America's Surface Transportation (FAST) Act, passed in 2015, and the Moving Ahead for Progress in the 21st Century Act (MAP-21), passed in 2012—contained policy changes that allow states to transfer up to 50% of their TA funding to other Federal-aid Highway Programs (FAHP)—a doubling of the percentage of transfers allowed under the preceding bills.[ii]

[i] Torsha Bhattacharya, Ph.D., Kevin Mills, J.D., and Tiffany Mulally, Ph.D., *Active Transportation Transforms America: The Case for Increased Public Investment in Walking and Biking Connectivity* (Washington, DC: Rails-to-Trails Conservancy, 2019).
[ii] Mary Ellen Koontz and Torsha Bhattacharya, Ph.D., *Transportation Alternatives Spending Report Fiscal Years 1992–2019* (Washington, DC: Rails-to-Trails Conservancy, 2020).

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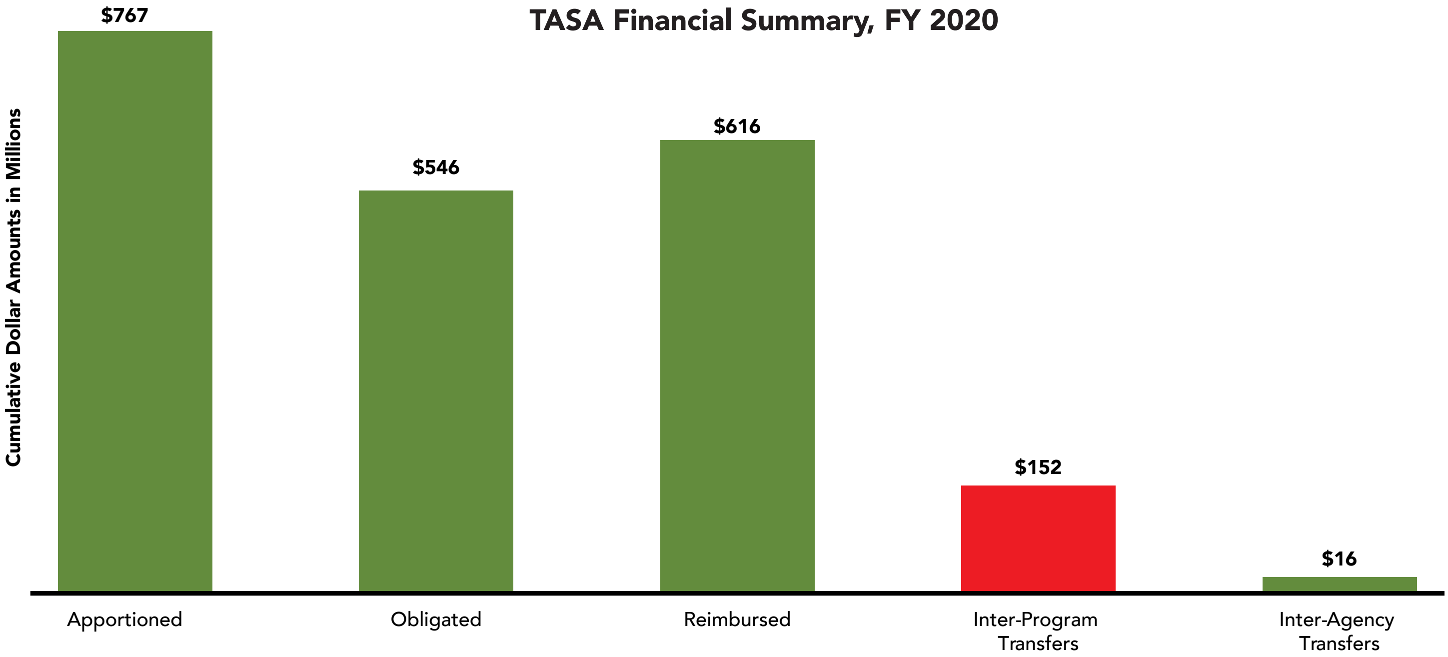

Figure 2

RTC's TrADE analysis found that, since the passage of MAP-21, states have transferred a cumulative $1.5 billion away from active transportation via inter-program and inter-agency transfers. That is about 24%, or one-fourth, of apportioned federal TA dollars during that time.

In 2020, $152 million (20% of the apportioned funding) was lost through inter-program transfers (Figure 2) largely to the Surface Transportation Program (STP)/Surface Transportation Block Grant (STBG) Program and the Highway Safety Improvement Program (HSIP) to support on-road construction of roads, bridges and highways, accounting for approximately 20% of the year's available TA funds. In the two decades preceding MAP-21, only $192 million was transferred. With states no longer under threat of losing federal funds to rescissions, FY 2020 also saw a significant decrease in the obligation rate of TA funds, from 103% in the prior fiscal year to 71%. While the rescission was repealed in 2019, states must continue to obligate funds at a higher rate to ensure TA Set-Aside funds are used to support the increased demand for safe places to walk and bike.

TA represents the single largest federal investment in trails but is among the smallest line items in surface transportation spending. By allowing states to continue to siphon funds away from the TA program, Congress is creating a funding loss that can be debilitating to active transportation plans in states and communities across the country. Therefore, any reauthorization of the FAST Act must include provisions to greatly reduce inter-program transfers that detract from this investment. Closing the legislative loophole that allows for this unprecedented growth in transfers would instead empower states and communities to actively obligate funds to TA-eligible projects and realize the full potential of TA investments.

About TrADE

Since the inception of TE in 1991, RTC's TrADE initiative has assisted stakeholders at the federal, state and local levels in understanding and implementing the TE/TA programs. Through technical support and the publication of our annual Transportation Alternatives Spending Report, RTC works with TA program managers, advocates and policymakers to support and promote the efficient use of these funds for trails, walking and biking. From 1996 to 2013, TrADE operated at the National Transportation Enhancements Clearinghouse as a partnership between RTC and the Federal Highway Administration.

For more info, visit **trade.railstotrails.org** or email **spendingreport@railstotrails.org**.