FY 1992 - FY 2011

Transportation Enhancements Spending Report

MAY 2012

Prepared by
National Transportation
Enhancements Clearinghouse

This report supersedes all previously published editions

United States Code Title 23 Chapter 1 Paragraph 133(d)(2)

"**For transportation enhancement activities.**—In a fiscal year, the greater of 10 percent of the funds apportioned to a State under section 104(b)(3) for such fiscal year, or the amount set aside under this paragraph with respect to the State for fiscal year 2005, shall only be available for transportation enhancement activities."


20th
Anniversary
Edition
FY 1992 - FY 2011

List of Tables and Figures

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Executive Summary

Transportation Enhancement (TE) projects improve the quality of America's transportation infrastructure. Congress defined and structured the TE activities to establish community livability as a priority. TE funding helps build a transportation system that provides diverse travel choices and supports our natural, economic, and social vitality.

Since its inception in 1992, the TE set-aside has provided over $13 billion to the states. This report documents and analyzes how the 50 states and the District of Columbia have used this funding.

The National Transportation Enhancements Clearinghouse (NTEC) is operated by the Rails-to-Trails Conservancy under a cooperative agreement with the Federal Highway Administration (FHWA). NTEC provides transparency to a complex set-aside, promotes best practices, and provides citizens, professionals, and policy-makers with information and technical assistance.

Data in this report were obtained from the FHWA Fiscal Management Information System (FMIS) and the NTEC project database, which was developed through over 16 years of direct interaction with staff and data systems at each of the state transportation agencies. This report publishes statistics that provide insight into how TE funds are used at the national and state levels. The report is a tool for agency staff, policy makers, professionals, and citizens who are striving to enhance America's transportation system and its communities.

Spending Analysis

Figure 1 on page 3 illustrates the status of funding at the national level through fiscal year (FY) 2011. From 1992 through 2011, Congress apportioned over $13 billion to the states for TE projects. NTEC's up-to-date nationwide project listing shows that state Departments of Transportation (DOTs) programmed 77.5% of this funding for 27,009 projects through FY 2011.

Common abbreviations used in this report:

TE: Transportation Enhancement Activities

FHWA: Federal Highway Administration

NTEC: National Transportation Enhancements Clearinghouse

DOT: Department of Transportation

FMIS: Fiscal Management Information System

ISTEA: Intermodal Surface Transportation Efficiency Act of 1991

TEA-21: Transportation Equity Act for the 21st Century of 1998

SAFETEA-LU: Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users of 2005

STP: Surface Transportation Program

FY: Fiscal Year

In 2009, NTEC reported that state DOTs had obligated 89% of available funding, a substantial increase from previous years. However, the increase was a distortion caused by rescissions, not because of a dramatic increase in new obligations. As of the close of FY 2011, states had obligated 88% of available funds. However, these cumulative obligations represent only 69% of the original apportionments. Thus, starting with the 2010 report, the obligation rate is calculated as a percentage of apportionments in addition to the previous rate based on available funding. In FY 2011 itself, states rescinded TE funding nearly equal to 60% of the amount obligated to new projects ($550 million and $325 million, respectively). On the plus side, $788 million in additional funds for TE were obligated through implementation of the 2009 American Recovery and Reinvestment Act (ARRA) in FY 2009 and FY 2010.

The financial path of a successfully completed TE project ends with reimbursement, which is the moment at which federal dollars are actually dispersed to the project sponsor. The reimbursement rate for obligated funding through FY 2011 is at 87%, holding steady since FY 2008. Obligation and reimbursement rates are performance measures for project implementation. States continue to seek best practices to improve TE project delivery and increase reimbursement rates.

The 2011 fiscal year was a challenging one for state departments of transportation, due to the uncer-

tain status of the federal transportation program as Congress negotiates a new spending authorization, and widespread state budget crises. Since SAFETEA-LU expired in September, 2009, it has been extended through 9 short-term extensions with the most recent set to expire June 30th, 2012.

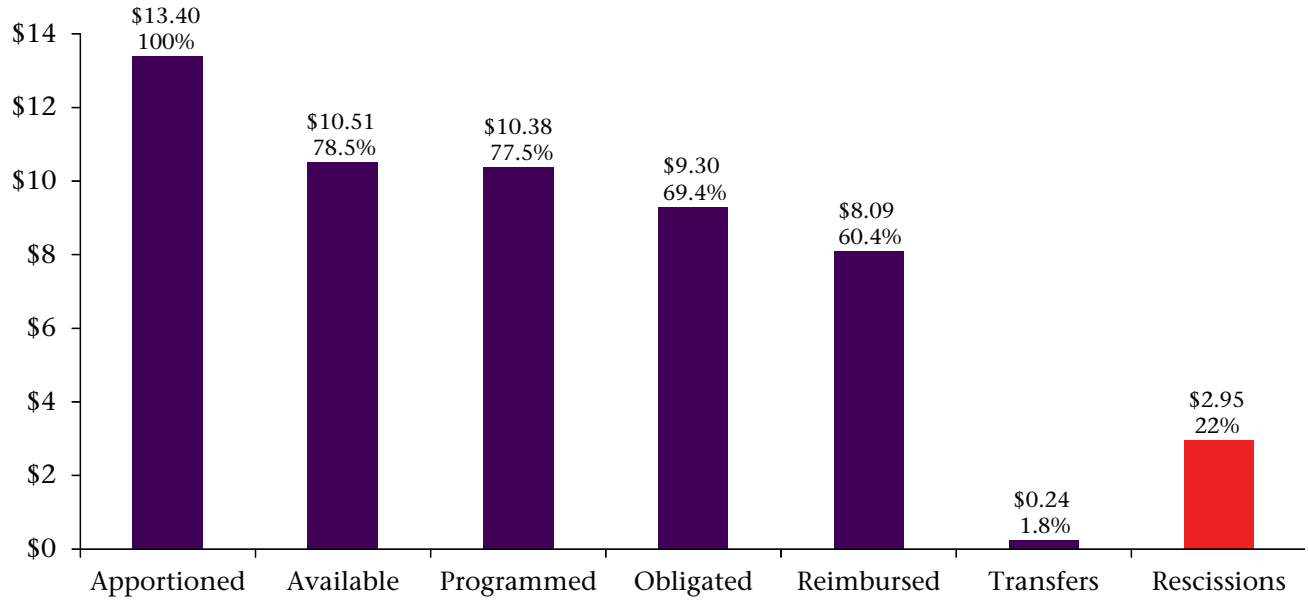
Nationwide Priorities for Transportation Enhancement Funding

The consistent leading priority in TE investment since 1992 has been to improve conditions for walking and bicycling, followed by landscaping and beautification, and then preservation and rehabilitation of historic transportation infrastructure. Bicycle and pedestrian facilities, combined with rail-trails and bike/ped safety programs, comprise 58% of programmed funding between FY 1992 and FY 2011. Landscaping and scenic beautification received 19% of TE funding. Historic preservation and rehabilitation of historic transportation facilities received 13% of TE funding. The other six categories combined account for the remaining 11% of programmed funding.

Lessons of FY 2011

The 2011 fiscal year was one of extremes. A June 2011 rescission of $2.5 billion overall impacted TE disproportionately with $324 million retracted from this set-aside alone. While the TE set-aside comprises only 2.3% of the Federal-aid Highway Program (FAHP), 13% of rescinded funds were from the TE set-aside. This reflects the actions of roughly half of the states. Some of these same states suspended or scaled back implementation of their TE set-asides due to shifting priorities and uncertainty surrounding reauthorization. Spending trends of other states demonstrate a commitment to the set-aside and even increased funding for these activities. Growth in the TE project list, obligation trends, and matching funds leveraged show that these states are affirming their commitment to delivering the small-scale, large-impact livable infrastructure projects represented by TE.

Figure 1: Cumulative Transportation Enhancements Financial Summary, FY 1992 to FY 2011



The reimbursement rate is calculated using obligated funds as the denominator, since only obligated funds can be reimbursed. All other rates are calculated using apportionments as the denominator.

Structure of the TE Program

Authorization of Funding for the Program

The U.S. Congress usually crafts multi-year authorization legislation for surface transportation to enable strategic long-term programs and investments in the nation's surface transportation infrastructure. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) was the authorizing legislation that established a dedicated funding stream for a set of newly defined TE activities under the U.S. DOT's Federal-aid Highway Program. Ten percent of Surface Transportation Program (STP) funding, plus ten percent of the portion of Minimum Allocation funding distributed to the STP, were set aside for TE activities. The dedication of Federal-aid Highway funding specifically for TE demonstrated a significant shift in national transportation policy. Prior to ISTEA, many important transportation needs had been excluded from the normal routine of planning, funding, and building transportation infrastructure. Under ISTEA, Congress ensured that funding would be available for bicycle and pedestrian transportation, for the preservation and enhancement of many of the nation's scenic and historic assets, and to address and protect environmental systems that form the context for much of America's transportation infrastructure.

In 1998, Congress reauthorized the U.S. DOT's Federal-aid surface transportation programs through the Transportation Equity Act for the 21st Century (TEA-21). The 10% set-aside for TE (from STP) continued with minor adjustments. Under TEA-21, "Minimum Guarantee" funding replaced "Minimum Allocation" funding and a new concept of Revenue Aligned Budget Authority (RABA) funding was authorized, with ten percent of the RABA funding apportioned as STP funding also being set aside for TE activities. These changes and overall increases under TEA-21 meant that TE funding levels increased by 40%. The scope of TE expanded with a broader definition and two new eligible TE activities (see pages 6 and 7 for the list of eligible TE activities). TEA-21 also added the stipulation that projects must relate to surface transportation in order to receive TE funding. TEA-21 expired at the end of FY 2003. Twelve extensions were enacted over a period of two years after the original expiration date for TEA-21 before new authorizing legislation was passed.

On August 10, 2005, Congress enacted the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Several small changes were incorporated into the statutory language defining the eligible activities. SAFETEA-LU affirmed and continued the 10% set-aside for TE with "Equity Bonus" replacing "Minimum Guarantee" funding, and it stipulated that TE apportionments for each fiscal year meet or surpass the baseline level established in FY 2005 funding.

SAFETEA-LU expired on September 30, 2009, but funding authorization has continued through a series of nine extensions to date. The current extension will expire on July 1, 2012. Please see Appendix D, Figure 12, on page 29 for a timeline of all authorization bills and extensions.

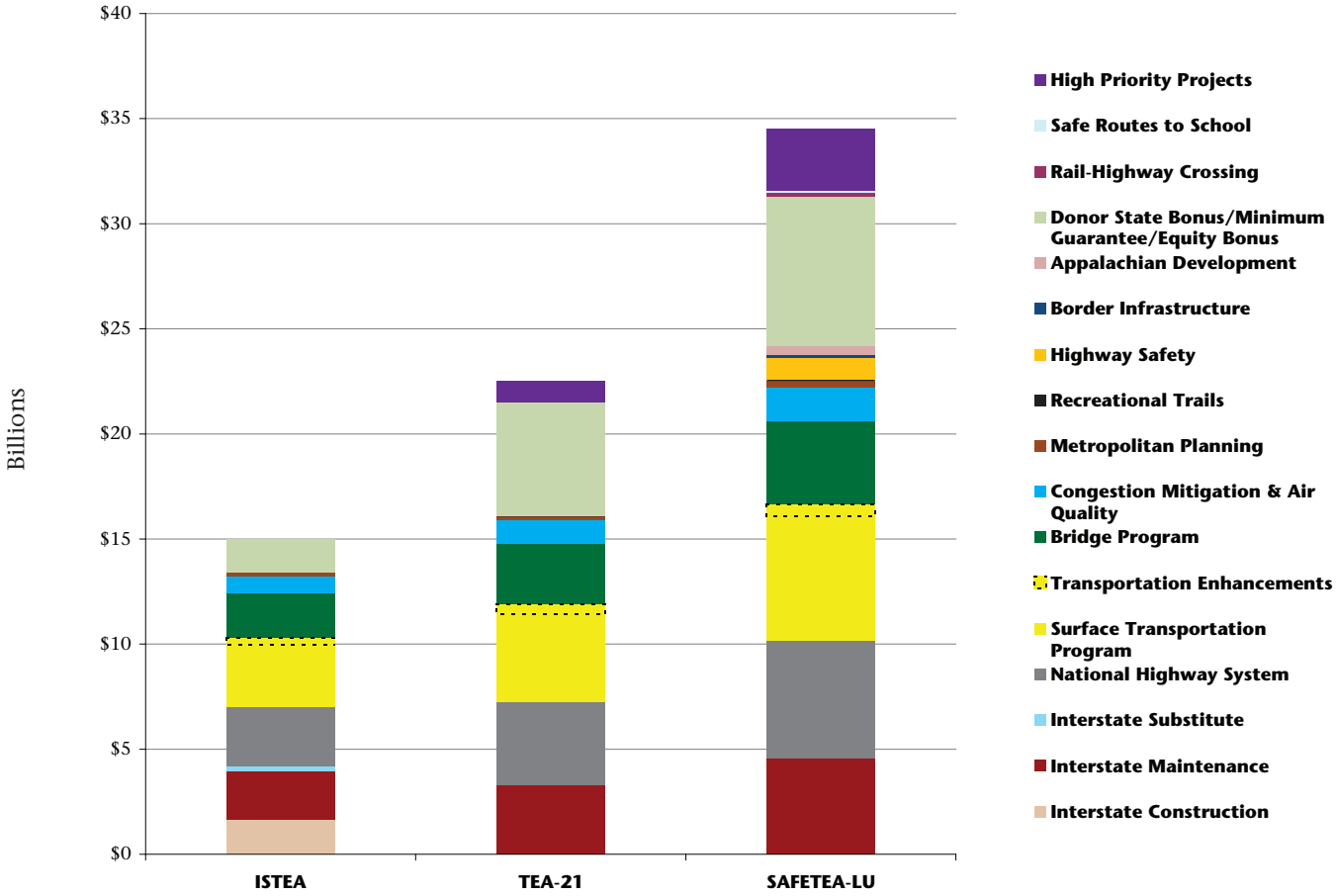
Transportation Projects Eligible for Funding

For a project to be eligible for TE funds, federal law states that the project must relate to surface transportation and must qualify under one or more of 12 eligible activities shown on pages 6 and 7. States may impose narrower eligibility restrictions. A TE project must be accessible to the public, and may be a "stand-alone" project or an additional enhancement to a larger highway project.

According to the authorizing legislation, TE activities must "relate to surface transportation." Each state DOT works with its FHWA Division office representatives to ensure that projects demonstrate a substantial relationship to the surface transportation system. The following factors can help establish this relationship, though none of them necessarily "make or break" the case:

Function – The project serves, or has served, as a functional component of the intermodal surface transportation system.

Figure 2: Budget Breakdown for Three Transportation Authorizations



This figure is based on annual apportionments for FY 1992 (ISTEA), FY 1998 (TEA-21), and FY 2006 (SAFETEA-LU).

Data sources: www.fhwa.dot.gov/legsregs/directives/notices.htm; www.fhwa.dot.gov/tea21/suptbl98.xls; www.fhwa.dot.gov/safetealu/fy06comptables.xls

Proximity – The project is contiguous to or clearly visible from a publicly accessible transportation facility. However, proximity alone is not enough - if the relationship to the transportation system is solely by proximity, the proposed activity must significantly enhance the overall surface transportation system.

Impact – The project has a significant beneficial impact on the surface transportation system or addresses a significant negative impact of surface transportation on a resource.

TE funding may not be used for routine maintenance or standard environmental mitigation, nor for TE program administrative, research, and/or training costs. However, planning related to a specific project is eligible for funding.

The majority of projects that use TE funding are relatively small-scale transportation projects with an average federal share of $384,276 and project cost of $536,592. They are most often initiated at the local level by project sponsors from city or county governments or community-based organizations. Projects funded with TE dollars can also be initiated by state DOTs, other state agencies, tribal governments, or federal agencies.

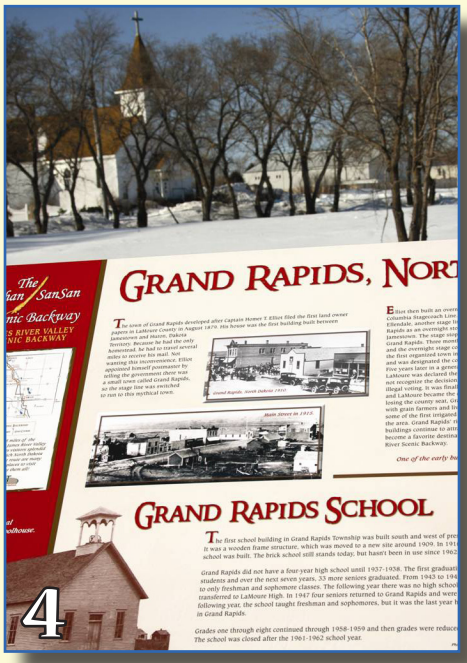
The 12 Transportation Enhancement Activities

A Transportation Enhancement is any activity related to surface transportation that fits one or more of these twelve categories.

Pedestrian and bicycle facilities: New or reconstructed sidewalks, walkways, curb ramps, bike lane striping, paved shoulders, bike parking, bus racks, off-road trails, bike and pedestrian bridges, and underpasses.

Safety and educational activities for pedestrians and bicyclists: Programs designed to encourage walking and bicycling by providing potential users with education and safety instruction through classes, pamphlets, and signs.

Acquisition of scenic easements and scenic or historic sites, including historic battlefields: Acquisition of scenic land easements, vistas, and landscapes, including historic battlefields; purchase of building in historic districts or historic properties.



Scenic or historic highway programs including tourist and welcome center facilities: Construction of turnouts, overlooks, visitor centers, and viewing areas, designation signs, and markers.

Landscaping and other scenic beautification: Street furniture, lighting, public art, and landscaping along street, highways, trails, waterfronts, and gateways.

Historic preservation: Preservation of buildings and façades in historic districts; restoration and reuse of historic building for transportation-related purposes; access improvements to historic sites and buildings.

Visit the NTEC Image Library at www.enhancements.org/library to view more pictures of these projects as well as other great TE projects.

Rehabilitation and operation of historic transportation buildings, structures, or facilities: Restoration of historic railroad depots, bus stations, canals, canal towpaths, historic canal bridges, and lighthouses; rehabilitation of rail trestles, tunnels, and bridges.

Preservation of abandoned railway corridors and the conversion and use of the corridors for pedestrian or bicycle trails: Acquiring railroad rights-of-way; planning, designing and constructing multi-use trails; developing rail-with-trail projects; purchasing unused railroad property for reuse as trails.

Inventory, control, and removal of outdoor advertising: Billboard inventories or removal of nonconforming billboards.

Archeological planning and research: Research, preservation planning, and interpretation; developing interpretive signs, exhibits, guides inventories, and surveys.

Environmental mitigation to address water pollution due to highway runoff or to reduce vehicle-caused wildlife mortality while maintaining habitat connectivity: Runoff pollution mitigation, soil erosion controls, detention and sediment basins, river cleanups, and wildlife crossings.

Establishment of transportation museums: Construction of transportation museums, including the conversion of railroad stations or historic properties to museums with transportation themes and exhibits, or the purchase of transportation related artifacts.

These photos are actual TE projects funded within the 12 categories. States are responsible for selecting projects and may choose not to fund a particular category. FHWA State Division staff ensure compliance with requirements in the obligation process.

Administration of TE Funding and Projects

Federal Role

Like other components of the Federal-aid Highway Program, TE activities are federally funded and state administered. Federal Highway Administration (FHWA) division office staff provide guidance, stewardship, and oversight for the use of TE funding. FHWA disburses federal funding to the states and the District of Columbia via formula apportionments. State DOTs administer apportioned TE funding and solicit and select projects for implementation. The FHWA division offices in each state provide Federal oversight according to guidance developed by FHWA Headquarters' Office of Planning, Environment, and Realty.

State Role

Federal transportation law provides flexibility to states in regard to managing and administering TE funding. State DOTs use a wide range of approaches to the various aspects of TE management, including soliciting and selecting TE projects; involving local sponsors; engaging regional transportation planning organizations; administering the various federal options for financing matching funding; managing project development; and construction contracting. Collectively, these approaches and procedures are now commonly referred to as TE programs. Every state publishes a document describing its unique program guidelines and policies. Detailed information about a particular state's TE program can be found on the NTEC website, www.enhancements.org/stateprofile.asp, along with contact information for the TE Manager in each state.

FY 2011 Summary of Nationwide Spending

The National Transportation Enhancements Clearinghouse (NTEC) tracks the status of funding at both the state and national levels. NTEC's analysis is updated annually and allows an assessment of how TE activities are being funded and implemented.

The data and analysis are reported in four sections. "Updating the NTEC Database" presents a summary of TE spending figures with an explanation of sources and methods for data collection, and an exploration of state-specific data issues. "The Federal Funding Lifecycle" presents an analysis of TE activities at the end of fiscal year (FY) 2011 based on the traditional benchmarks of state spending. "Rescissions" explains this fiscal concept and analyzes the impact of rescissions on the TE program both historically and in FY 2011. "Programming Analysis" covers trends observed for the TE activities themselves, such as distribution of funding across the 12 eligible activities. Three appendices provide supplemental information.

Updating The NTEC Database

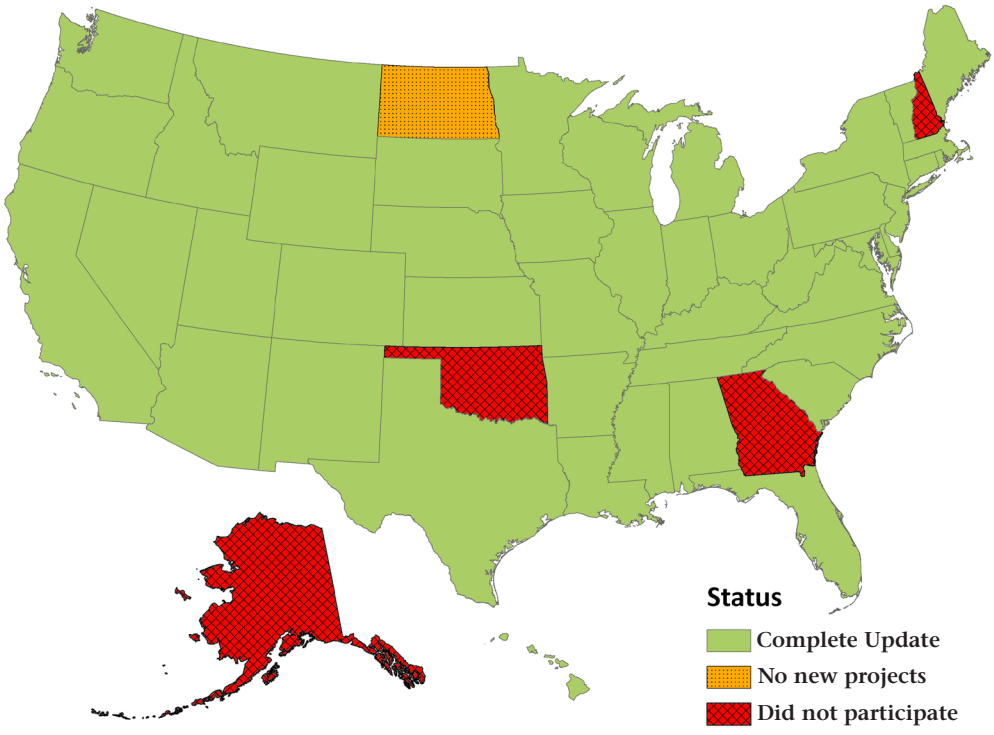
The information in this report is based on data collected and maintained by the National Transportation Enhancements Clearinghouse (NTEC). Beginning in 1993, the Rails-to-Trails Conservancy developed a database of TE projects funded by each state. This project listing has been managed and updated annually by NTEC since 1998 under successive cooperative agreements with FHWA. Data for this edition were collected between November 2011 and April 2012. Data are provided to NTEC from three sources: FHWA's Fiscal Management Information System (FMIS), state DOT tracking systems, and the state TE Coordinators themselves.

FMIS provides NTEC with the cumulative and fiscal year activity for funding available, obligated, and reimbursed in every state. Every state is required to report its obligations and reimbursements through the FMIS system.

State DOTs provide NTEC with programming (selected/planned project) data, including project name, TE activity type, location, and funding levels. This allows NTEC to analyze the distribution of funding by TE category and state match rates for TE funding. Though states are not contractually required to provide NTEC with this information, their voluntary participation in doing so has been essential to the success of the clearinghouse in creating openness, transparency, and promoting best practices.

The national list of programmed TE projects now contains 27,009 projects selected from FY 1992 to FY 2011. NTEC's database also contains 801 programmed projects for future fiscal years (FY 2011 to FY 2016) and 1,208 American Recovery and Reinvestment Act (ARRA) projects. Altogether, the list contains 29,029 programmed TE projects. However, charts and tables in this report do not include ARRA or future-year projects unless specifically stated. The national TE project list can be viewed on the NTEC website at www.enhancements.org/. Since NTEC's database of projects is the only existing central resource for information on TE projects nationwide, the participation of each state DOT is crucial for the accuracy and completeness of NTEC's information. During the most recent data collection, 46 states and the District of Columbia provided NTEC with programming information.

Figure 3: State Data Collection Participation During FY 2011



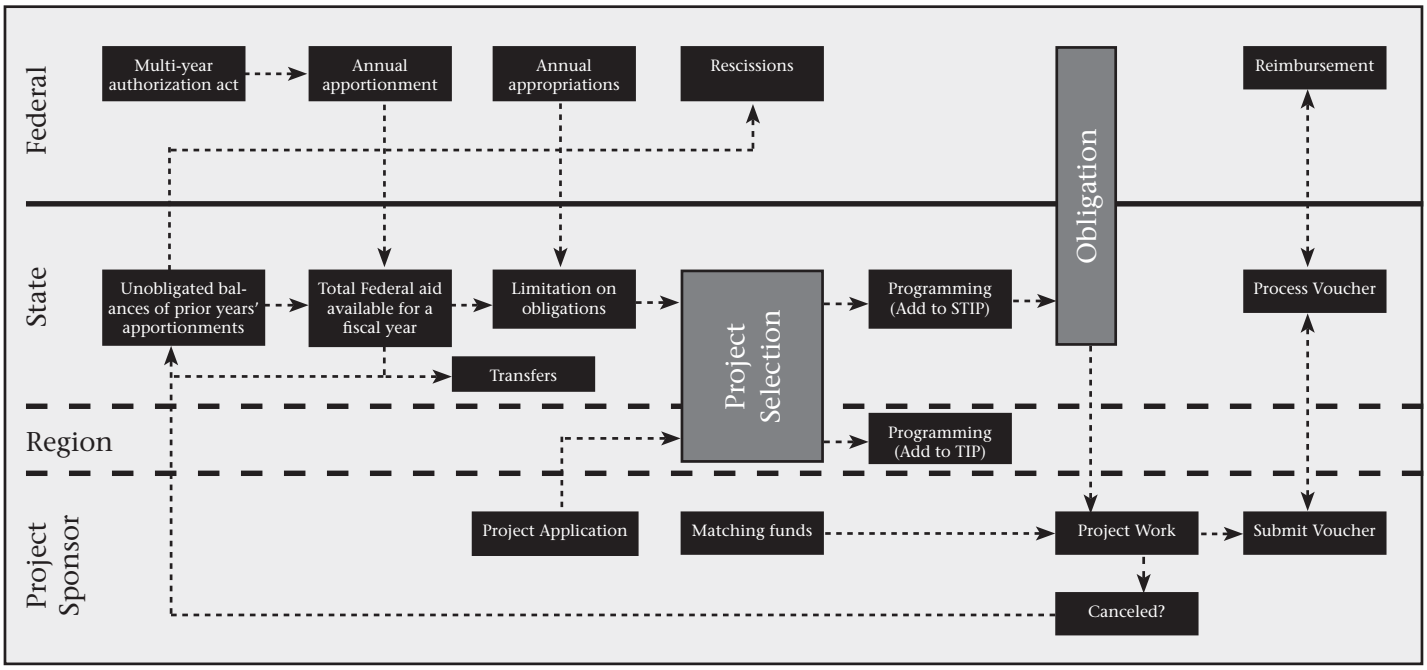
The Federal Financing Lifecycle

This section presents an analysis of all transactions in FMIS for TE as of the close of the 2011 fiscal year. The subsections define the stages of the federal financing lifecycle and discuss unique issues relating to TE projects within this lifecycle. The discussion includes some notes on the limitations of FMIS as a data foundation for evaluating the performance of the TE set-aside.

Authorization of Funding

A multiyear authorization act of Congress like SAFETEA-LU is the first step in the TE financing lifecycle. This is followed by apportionment, appropriations, programming, obligations, and reimbursement. These stages, and the roles of the federal legislature, federal executive, states, and local governments in the process are illustrated in Figure 4.

Figure 4: The Transportation Funding Lifecycle



This figure is adapted in part from Figure 3 in Financing Federal-aid Highways, Publication No. FHWA-PL-07-017, March 2007, Office of Legislative and Governmental Affairs, Federal Highway Administration, US Department of Transportation.

Apportioned Funding

The authorizing legislation that creates the Federal-aid Highway Program defines formulas by which funds are dispersed to the states, a process called apportionment that is administered by the Federal Highway Administration. The combined total of all annual apportionments a state has received forms the initial available balance of each state. However, states do not actually spend this total. Congress annually appropriates money from the Highway Trust Fund to fund the Federal-aid Highway Program. These appropriations represent the actual spending power of the program, and this spending authority is distributed by formula to each state to be applied to the available balance. The available balance decreases when states use their appropriated authority to direct funds to specific projects. It also decreases when funding expires, is rescinded by the federal government, or when states transfer funds to other allowable transportation programs. In FY 2011, apportionments increased for every state, most by 10% or less, with the exceptions of Alaska (+17.6%), Vermont (+12%), and Nevada (+11%). FY 2011 apportionments totaled approximately $927.5 million.

Over the 20 years (FY 1992 through FY 2011) of the TE set-aside, cumulative apportioned funding provided to states stands at $13.4 billion. The distribution among states is shown in Table 1, page

Table 1: State TE Program Benchmarks for FY 1992 through FY 2011 (in thousands of $)

State	Apportioned	Rescinded		Available		Programmed		Obligated			Reimbursed	
	FY 92-11	FY 92-11	Rate	FY 92-11	Rate	FY 92-11	Rate	FY 92-11	Apport.	Avail.	FY 92-11	Rate
Alabama	$272,143	-$78,848	-29%	$194,680	72%	$193,863	71%	$194,294	71%	100%	$167,533	86%
Alaska	$169,104	-$26,066	-15%	$139,998	83%	$126,161	75%	$139,998	83%	100%	$135,222	97%
Arizona	$247,240	-$22,306	-9%	$227,720	92%	$189,082	76%	$197,657	80%	87%	$157,253	80%
Arkansas	$182,097	-$62,609	-34%	$116,585	64%	$109,456	60%	$103,893	57%	89%	$98,713	95%
California	$1,194,696	-$282,141	-24%	$903,829	76%	$1,035,689	87%	$860,070	72%	95%	$751,728	87%
Colorado	$191,860	-$43,574	-23%	$156,581	82%	$144,857	76%	$135,118	70%	86%	$123,719	92%
Connecticut	$176,814	-$53,502	-30%	$119,696	68%	$122,014	69%	$116,168	66%	97%	$103,885	89%
Delaware	$66,302	-$2,000	-3%	$64,844	98%	$48,799	74%	$62,051	94%	96%	$55,677	90%
Dist. Of Col.	$56,257	-$17,966	-32%	$39,798	71%	$39,235	70%	$38,447	68%	97%	$27,910	73%
Florida	$744,611	-$135,224	-18%	$628,124	84%	$556,220	75%	$619,706	83%	99%	$501,240	81%
Georgia	$508,439	-$142,533	-28%	$371,813	73%	$351,841	69%	$288,551	57%	78%	$257,916	89%
Hawaii	$88,629	-$11,141	-13%	$78,587	89%	$56,699	64%	$68,712	78%	87%	$53,288	78%
Idaho	$98,989	-$34,960	-35%	$59,619	60%	$56,762	57%	$59,612	60%	100%	$57,061	96%
Illinois	$490,304	-$76,744	-16%	$440,997	90%	$409,724	84%	$290,317	59%	66%	$263,069	91%
Indiana	$353,121	-$24,356	-7%	$340,852	97%	$296,836	84%	$298,240	84%	87%	$266,865	89%
Iowa	$175,854	-$16,916	-10%	$168,856	96%	$212,757	121%	$156,625	89%	93%	$137,134	88%
Kansas	$174,894	-$12,738	-7%	$169,447	97%	$163,045	93%	$146,816	84%	87%	$141,686	97%
Kentucky	$220,327	-$28,318	-13%	$207,141	94%	$196,429	89%	$160,640	73%	78%	$148,858	93%
Louisiana	$198,207	-$72,393	-37%	$117,995	60%	$190,264	96%	$114,084	58%	97%	$90,155	79%
Maine	$66,883	-$9,877	-15%	$56,457	84%	$65,683	98%	$55,489	83%	98%	$50,129	90%
Maryland	$199,693	-$18,036	-9%	$179,953	90%	$203,788	102%	$141,960	71%	79%	$129,634	91%
Massachusetts	$208,639	-$51,701	-25%	$157,150	75%	$94,112	45%	$77,836	37%	50%	$52,310	67%
Michigan	$428,945	-$100,358	-23%	$344,744	80%	$336,002	78%	$328,149	77%	95%	$308,345	94%
Minnesota	$258,648	-$29,896	-12%	$204,740	79%	$265,152	103%	$219,651	85%	107%	$198,493	90%
Mississippi	$174,450	-$15,584	-9%	$166,638	96%	$144,585	83%	$132,617	76%	80%	$112,200	85%
Missouri	$304,884	-$29,885	-10%	$279,857	92%	$242,564	80%	$224,932	74%	80%	$195,632	87%
Montana	$111,638	-$17,551	-16%	$95,089	85%	$81,651	73%	$81,740	73%	86%	$72,333	88%
Nebraska	$120,675	-$46,530	-39%	$74,110	61%	$101,112	84%	$72,003	60%	97%	$63,762	89%
Nevada	$102,394	-$37,837	-37%	$67,293	66%	$78,046	76%	$67,089	66%	100%	$62,143	93%
New Hampshire	$68,869	-$6,019	-9%	$65,620	95%	$83,299	121%	$56,618	82%	86%	$53,747	95%
New Jersey	$288,053	-$59,582	-21%	$216,153	75%	$134,903	47%	$171,259	59%	79%	$145,840	85%
New Mexico	$133,292	-$33,920	-25%	$100,371	75%	$150,126	113%	$93,149	70%	93%	$81,461	87%
New York	$504,371	-$99,714	-20%	$427,100	85%	$407,763	81%	$324,931	64%	76%	$258,710	80%
North Carolina	$386,346	-$100,446	-26%	$309,474	80%	$261,302	68%	$277,021	72%	90%	$246,386	89%
North Dakota	$86,129	-$20,010	-23%	$67,804	79%	$59,762	69%	$67,111	78%	99%	$64,111	96%
Ohio	$455,629	-$71,636	-16%	$350,920	77%	$354,210	78%	$323,793	71%	92%	$296,778	92%
Oklahoma	$234,182	-$86,611	-37%	$152,772	65%	$147,284	63%	$146,445	63%	96%	$133,243	91%
Oregon	$157,946	-$50,869	-32%	$109,552	69%	$124,211	79%	$100,529	64%	92%	$88,115	88%
Pennsylvania	$410,035	-$41,070	-10%	$384,051	94%	$436,681	106%	$361,487	88%	94%	$328,014	91%
Rhode Island	$61,793	-$2,784	-5%	$59,940	97%	$56,406	91%	$56,830	92%	95%	$52,218	92%
South Carolina	$241,999	-$68,533	-28%	$171,134	71%	$109,899	45%	$154,997	64%	91%	$141,396	91%
South Dakota	$97,968	-$49,642	-51%	$47,821	49%	$44,879	46%	$47,707	49%	100%	$44,890	94%
Tennessee	$295,073	-$66,631	-23%	$245,690	83%	$247,345	84%	$196,058	66%	80%	$165,474	84%
Texas	$1,164,860	-$428,419	-37%	$699,191	60%	$656,165	56%	$570,527	49%	82%	$484,171	85%
Utah	$103,402	-$12,957	-13%	$95,703	93%	$77,481	75%	$87,945	85%	92%	$83,886	95%
Vermont	$61,571	-$3,337	-5%	$60,489	98%	$59,895	97%	$48,833	79%	81%	$42,967	88%
Virginia	$335,847	-$35,489	-11%	$296,986	88%	$302,861	90%	$273,559	81%	92%	$175,258	64%
Washington	$216,785	-$41,476	-19%	$152,279	70%	$214,622	99%	$166,779	77%	110%	$149,701	90%
West Virginia	$105,857	-$6,748	-6%	$100,118	95%	$94,924	90%	$98,501	93%	98%	$70,426	71%
Wisconsin	$312,526	-$161,741	-52%	$155,997	50%	$187,794	60%	$152,471	49%	98%	$135,207	89%
Wyoming	$70,226	-$974	-1%	$70,184	100%	$54,698	78%	$66,701	95%	95%	$61,924	93%
Total to States	$13,395,018	-$2,950,199	-22%	$10,512,543	78%	$10,378,936	77%	$9,295,717	69%	88%	$8,087,817	87%

* Denominator is Apportioned.
† Minnesota and Washington figures have been adjusted for STP Pilot.
‡ Reimbursement rates are calculated from obligated funds.

11. States are not authorized to obligate all apportioned funding because the annual Congressional appropriation is typically less than the annual apportionment.

Programming

Federal law requires that states add highway projects that will receive Federal-aid funding to the Statewide Transportation Improvement Program (STIP). The STIP is a public document that provides transparency in capital expenditures related to transportation on a 4-year planning horizon. The following section of this report (starting on page 19) is an in-depth analysis of programming data collected from the states.

The Transportation Enhancement set-aside is a mandatory minimum set-aside within the Surface Transportation Program (STP). However, the TE activities are eligible for additional STP funds beyond the minimum, at the discretion of the state. Therefore, as shown in Table 1, six states programmed more than 100% of the TE set-aside. States intending to simply maximize the TE set-aside may also program more than 100% in anticipation that some projects will be canceled or delayed. In fact, more than six states have 'overprogrammed' TE activities, because it is reasonable to assume that the available spending authority will be less than the apportionment.

Obligations: Background

An obligation is a commitment by the federal government to reimburse states for the federal share of a project's eligible costs. Obligation occurs when a formal project agreement is executed between the federal government (through FHWA division offices) and the state. Obligated funding is then committed to a particular project. While considerable time and money may already have been expended planning a project, obligation is what marks the beginning of project costs being eligible for federal reimbursement. State DOTs are required to report obligations to FMIS.

The Federal-aid Highway Program (FAHP) is a collection of smaller programs (Figure 2, page 5). The apportionment for each subprogram is set by Congress, which creates hypothetical maximum amounts for each program. Congress separately sets an annual ceiling on obligations for FAHP as a whole. Since an obligation is a promise by the federal government to reimburse States when a project is completed, by limiting obligations, Congress can prevent this promise and subsequent payments from being made in order to control budget policy. States have tremendous flexibility in determining how to spread this limit among transportation programs. This flexibility allows states latitude in meeting needs that arise on a year-to-year basis. For example, it might be more cost-effective to over-obligate a particular program in a given year in order to finish a complex, large project such as a bridge. To compensate, other programs must be under-obligated. Over time, obligations can balance out. However, balance is not always reached. Unobligated funding is added to the available balance. Figure 5, page 14, illustrates the accumulation of TE funding and shows how a state could obligate the same amount every year and run up a large available balance.

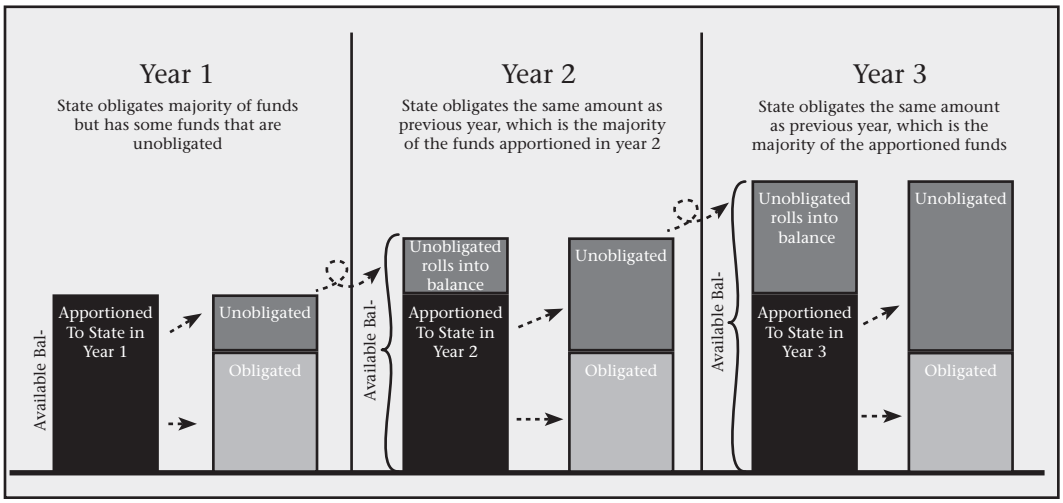
A simplified example might help to explain how this relates to the obligation rate. Let's say that in the first year of the TE set-aside, a state had $10 million apportioned to it and obligated $8.5 million. The obligation rate would then be 85% that year. This example also illustrates the fact that the annual obligation limitation distributed by Congress is almost always less than the apportioned funding. In future years, however, the outstanding balance of $1.5 million is not lost. It still sits on the books and is available the next year (this is what gives states flexibility in when to use these funds). If the state once again obligates $8.5 million, the annual obligation rate would remain constant. If this same process continues over the course of 6 years, the state's cumulative obligation rate would be 85% and leave $9 million on the table. This $9 million conceptually represents another year of TE funding. However, because of the limitation on obligations, this $9 million could

Table 2: Yearly Obligation Rates by Fiscal Year 2007-2011*

State	5-Year Average Annual Apportionment	2007	2008	2009	2010	2011	5-Year Cumulative Obligation/ Apportioned	Unobligated Balance
Alabama	$17,310,706	74%	70%	54%	69%	52%	64%	$386,072
Alaska	$7,847,037	7%	88%	26%	80%	20%	44%	$0
Arizona	$17,342,809	50%	82%	51%	266%	0%	90%	$30,063,496
Arkansas	$11,786,348	37%	31%	-1%	14%	36%	24%	$12,692,558
California	$77,416,302	77%	83%	85%	46%	56%	69%	$43,758,548
Colorado	$12,451,051	21%	25%	167%	58%	57%	66%	$21,463,728
Connecticut	$8,838,173	88%	35%	22%	15%	62%	45%	$3,528,337
Delaware	$3,894,061	61%	81%	122%	70%	100%	87%	$2,792,889
Dist. of Columbia	$3,427,430	49%	-37%	50%	245%	19%	68%	$1,351,149
Florida	$51,292,582	69%	64%	224%	86%	86%	106%	$8,418,522
Georgia	$33,943,736	40%	53%	51%	15%	60%	44%	$83,262,328
Hawaii	$3,780,278	163%	34%	9%	96%	155%	92%	$9,875,592
Idaho	$5,766,902	95%	91%	13%	51%	4%	49%	$6,242
Illinois	$30,827,063	58%	43%	27%	20%	65%	43%	$150,680,325
Indiana	$23,209,769	76%	130%	79%	87%	97%	94%	$42,612,604
Iowa	$10,945,494	100%	61%	89%	97%	85%	87%	$12,231,209
Kansas	$10,785,781	166%	129%	78%	5%	27%	80%	$22,630,967
Kentucky	$13,628,435	109%	55%	47%	39%	8%	50%	$46,501,093
Louisiana	$12,598,378	44%	48%	93%	82%	109%	77%	$3,910,429
Maine	$3,621,550	128%	200%	128%	86%	118%	131%	$967,770
Maryland	$12,405,834	137%	5%	68%	51%	33%	59%	$37,992,530
Massachusetts	$11,917,734	-30%	16%	76%	23%	109%	39%	$79,313,866
Michigan	$27,353,694	127%	83%	72%	92%	52%	85%	$16,595,332
Minnesota	$17,684,676	68%	61%	58%	88%	86%	73%	$10,398,616
Mississippi	$11,334,126	42%	66%	81%	144%	66%	81%	$34,020,340
Missouri	$20,677,967	64%	120%	106%	47%	102%	88%	$54,925,428
Montana	$6,365,209	67%	100%	15%	121%	52%	71%	$13,348,895
Nebraska	$7,119,184	52%	29%	21%	51%	41%	39%	$2,106,926
Nevada	$6,833,410	105%	49%	68%	25%	29%	51%	$203,727
New Hampshire	$3,920,486	111%	95%	25%	43%	28%	60%	$9,001,664
New Jersey	$18,729,236	52%	49%	47%	48%	32%	45%	$44,894,234
New Mexico	$7,601,604	61%	58%	76%	75%	30%	59%	$7,221,472
New York	$29,220,829	89%	16%	50%	20%	99%	55%	$102,169,738
North Carolina	$24,268,562	100%	21%	57%	84%	32%	59%	$32,452,962
North Dakota	$4,573,140	86%	61%	105%	45%	30%	64%	$693,139
Ohio	$29,553,622	63%	87%	79%	66%	54%	69%	$27,126,668
Oklahoma	$15,445,967	-25%	61%	64%	42%	26%	33%	$6,326,678
Oregon	$9,959,254	43%	62%	89%	67%	80%	69%	$9,023,340
Pennsylvania	$27,996,402	100%	172%	77%	131%	65%	109%	$22,564,527
Rhode Island	$3,479,601	93%	86%	5%	82%	99%	74%	$3,109,857
South Carolina	$16,294,472	24%	115%	44%	17%	55%	50%	$16,136,700
South Dakota	$5,729,117	107%	3%	55%	23%	7%	37%	$114,146
Tennessee	$19,415,618	94%	54%	5%	71%	89%	63%	$49,631,248
Texas	$79,979,409	84%	21%	51%	46%	44%	49%	$128,663,628
Utah	$6,854,359	106%	86%	105%	68%	32%	77%	$7,758,084
Vermont	$3,648,398	149%	68%	19%	38%	82%	70%	$11,655,447
Virginia	$23,168,004	5%	46%	86%	99%	54%	58%	$23,426,991
Washington	$13,346,949	89%	103%	104%	55%	74%	84%	$3,759,169
West Virginia	$7,074,939	139%	81%	124%	113%	105%	112%	$1,616,221
Wisconsin	$19,755,661	29%	23%	42%	55%	42%	39%	$3,526,107
Wyoming	$3,766,869	118%	63%	106%	79%	72%	87%	$3,482,748
Total	$856,188,218	71%	64%	74%	64%	59%	68%	$1,260,394,284

*A negative rate indicates a net de-obligation (see glossary for definition). Limitation on obligations was approximately 90% under SAFETEA-LU (FY 2005 - 2009)

Figure 5: How TE Funding Accumulates from Year to Year



only be spent by prioritizing TE over other Federal-aid Highway Programs and directing additional spending authority to TE. If it remains unobligated, the availability of the funds may be retracted by the federal government in the event of a rescission. Table 2 shows the unobligated balance of each state at the end of FY 2011.

Another issue not illustrated in Figure 5, which may contribute to a growing available balance, is deobligation. If for some reason a project advances to the stage where funding is obligated, but the project is later canceled, the funding associated with the project is deobligated and returned to the available balance. If a state "cleans out" old, inactive projects from multiple past fiscal years in one current fiscal year, this can cause a state to have a negative yearly obligation rate.

Obligation Rates by Fiscal Year

This report presents obligation rates in three ways. Method one is to compare the cumulative dollar amount obligated to the cumulative available amount (apportionments minus rescissions and transfers). This rate has been the benchmark figure NTEC has reported previously and that FHWA has used to measure the effectiveness of the TE set-aside. The national cumulative obligation rate (FY 1992 – FY 2011) is 88% (Table 1, page 11). The second method is to compare obligations to the original apportionment. It is important to recognize that the entire apportionment is not available for obligation. However, this rate gives a sense of the rate at which TE funds are directed to TE projects by the states, as opposed to transfers to other programs or the retraction of available funds by the federal government through rescissions. Nationwide, over the course of 20 years, 69% of apportionments have been obligated to actual TE projects (Table 1, page 11).

The final method is to compare the amount obligated in a particular fiscal year to the fiscal year apportionment. This rate shows how much of the year's apportionment has been obligated. Table 2 on page 13 shows this rate for the past five years. This rate shows how the TE programs operate from year to year. This rate can be quite variable between years. It is possible for a state to obligate more than a hundred percent of one year's apportionment because a state has the ability to obligate previously unobligated funding up to an amount equal to the available balance.

Recent Trends in Obligation

The cumulative obligation rate combines the past 20 years of the TE set-aside and minimizes changes from year to year. Table 2, page 13, provides fiscal year obligation rates compared to the amount apportioned that year since 2007. In 2011, the national yearly obligation rate was 59%, which is the lowest rate since FY 2001 (42%) and FY 2005 (61%). It is normal for obligations to fluctuate from year to year, as shown in Figure 6 on page 15.

Figure 6: TE Funding Obligated Each Fiscal Year 1992-2011

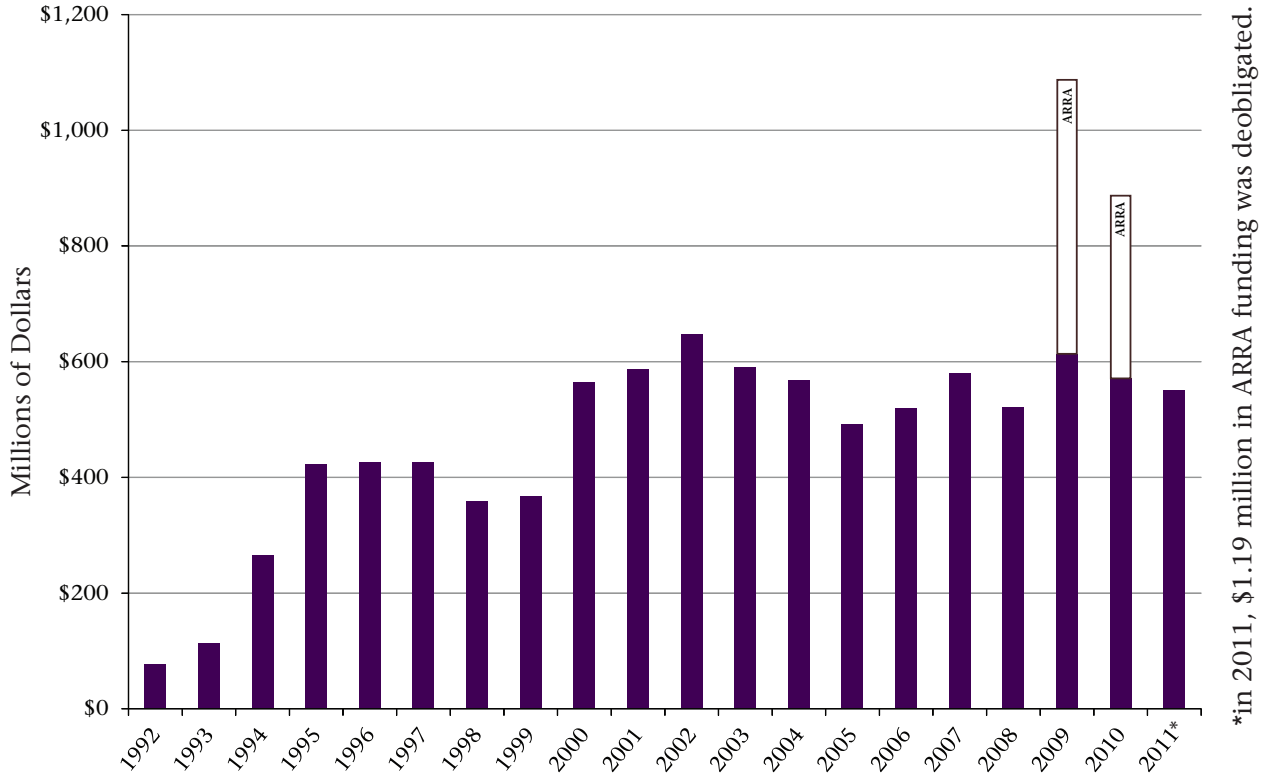
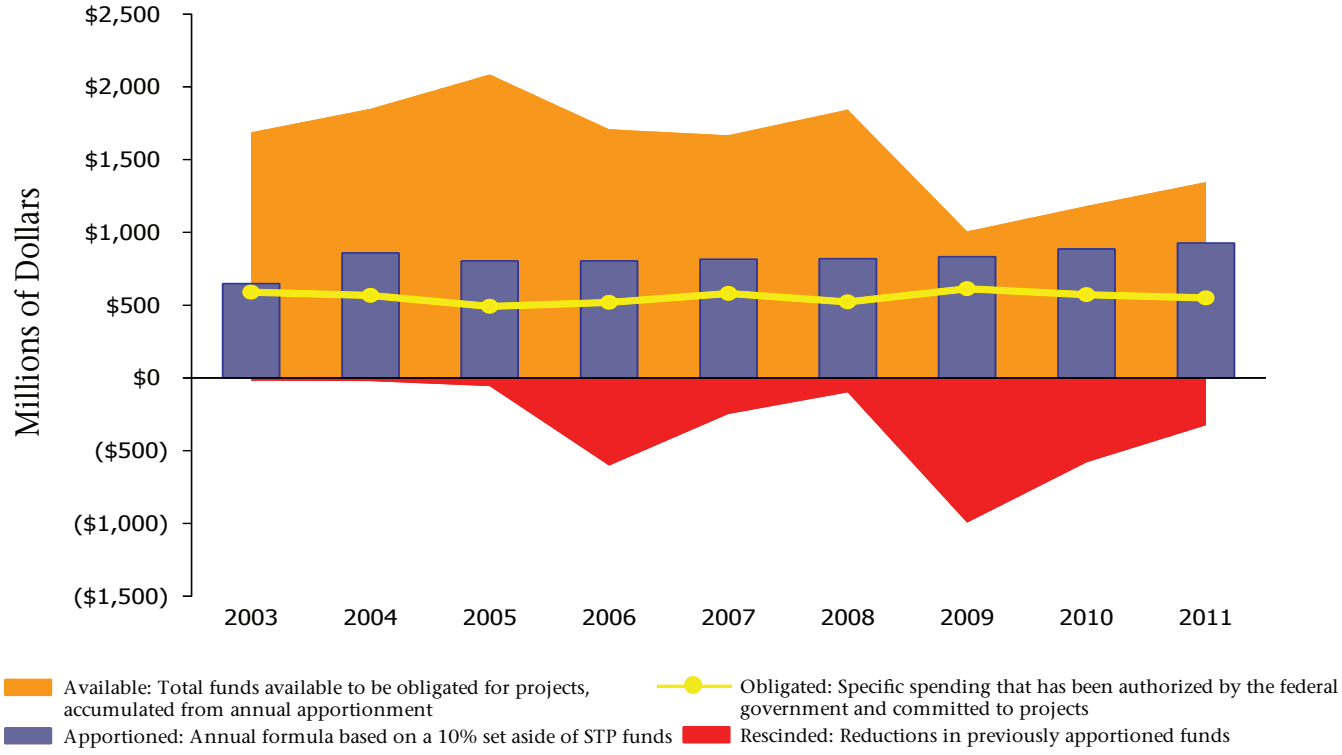


Figure 7: Obligation, Apportionment, Available Balance, & Rescissions for each FY 2003-2011



To see Figure 7 for an individual state, please visit www.enhancements.org/stateprofile.asp

Figure 7 on page 15 plots the TE set-aside's yearly obligations next to the amount apportioned for the year, the available balance and the total amount rescinded. This graph and the accompanying Table 2 (page 13) show the available balance, that is, the amount of money from past years still available to be obligated by the states. This number is the sum of all unobligated funding.

Many states have made great strides in moving their programmed projects to completion and have prioritized obligating TE funding. For example, Maine, which in 2003 had an unobligated balance of $12.4 million and an obligation rate of 25%, has obligated and average of 126% of its yearly apportionment from 2006-2011 and now has under $1 million in unobligated funding. The national unobligated balance reached a peak in FY 2005 at over $2 billion. With the enactment of SAFETEA-LU, this figure declined significantly in FY 2006. Major rescissions from FY 2009 - FY 2011 have reduced the balance to $1.26 billion. Unobligated balances at the close of FY 2011 are reported in Table 2, page 13.

Reimbursements

The final stage of TE project funding is reimbursement. The FHWA reimburses states for projects as they are completed. This process can be long and, when projects are stalled or are not separated into phases, can be delayed while the project is implemented.

The cumulative (FY 92 - FY 10) reimbursement rate nationally was 87% of obligations (Table 1, page 11). State reimbursement rates range from a low of 64% in Virginia to a high of 96.6% in Alaska.

Differences in reimbursement rates can be explained a number of ways. A low reimbursement rate, together with a high obligation rate in recent years, could indicate that many TE projects in that state are ongoing. A high reimbursement rate, together with a low obligation rate in recent years, could indicate that few TE projects are implemented but that they are done efficiently. Reimbursement rates alone are an insufficient benchmark for TE funding. These statistics should be interpreted in the context of the whole TE funding process, from apportioned to obligated.

Transfers

The Uniform Transferability Provision (23 U.S.C. 126) limits the amount of funding that can be transferred from TE to other Federal-aid Highway Programs in a given year. States can transfer up to 25% of each year's apportionment that is above the state's FY 1997 TE apportionment level. States are also permitted to transfer funds to the Federal Transit Administration (FTA) under the requirements of 49 U.S.C. 53. There is no limit on the amount that can be transferred to FTA; however, TE funding that is transferred to FTA must be used for TE-eligible activities.

Table 6, in Appendix E, on page 31, shows all transfers from TE since FY 2002. Since 2002, $240 million have been transferred. In FY 2011, twelve states transferred a total of $23.4 million. FY 2011 continued the trend of transfers by states to other programs for non-TE related projects. This includes $10.6 million to the National Highway System and $2.2 million to the bridge program. The FY 2011 fiscal year also marks the second consecutive year since 2002 that transfers to the FTA and Recreational Trails Program are less than 50% of the total transferred.

The total transferred to date, $240 million, represents 2% of cumulative apportionments. However, some individual states have made substantial transfers. For example, Georgia transferred $7 million in FY 2011. New Jersey and South Carolina both transferred over $8 million in FY 2010, roughly 50% of each state's typical annual apportionment. This increased transfer activity is potentially due to the Department of Transportation Appropriations Act of 2010, which allowed a one-time redistribution between states of obligation limitation due to expire that fiscal year. In order to receive redistributed "oblimit," states had to demonstrate available funds to obligate for particular programs. This framework created an incentive for states to consolidate funds to priority programs.

Rescissions

Since 2002, Congress has enacted 13 rescissions that have affected the Federal-aid Highway Program. Through rescissions, Congress cancels the authority to obligate a certain portion of available funding before it is set to expire. While Congress sets a total rescission amount for the Federal-aid Highway Program (FAHP), FHWA calculates the share each state is responsible for based on the original distribution of Federal-aid funding. The states in turn are required to choose which funding will become inaccessible to them, thus reducing the amount of available funding.

In FY 2011, $325 million was rescinded nationally from TE, as shown in Figure 8, below. This is equivalent to 35% of the 2011 TE apportionment. Although this is equivalent, the rescinded funding comes from a backlog of funding that has accumulated over several years. It could also be the case for some states that the rescinded funds are equal to the funding which is unavailable due to limitations. In the FY 2011 rescission, states were given complete discretion to apply the rescission across their Federal-aid highway programs as they desired. Table 3 illustrates the dynamics at work at the state level in responding to rescissions. The first three columns show the size of the FAHP, the size of the TE program, and the size of TE within FAHP. Generally, TE represents roughly 2% of overall apportionments from FHWA. The three central columns of Table 3 show that some states, such as Florida and Missouri, applied the rescission proportionately to TE. For these states, the percentage of the rescission taken from TE is roughly equal to the percentage of TE within FHWA apportionments. Seven other states, such as Maine and Texas, did not rescind any funds from TE, either because they did not have any unobligated balance to rescind, or because they chose to protect the program. Most states, however, disproportionately used TE funds to meet the rescission, 28 states used TE funding for 10% or more of their overall rescission.

The full history of rescissions by year for each state is shown in Appendix E, Table 7, page 32.

The disproportionate impact of past rescissions has rendered the traditional program measure of cumulative obligation rates for the states less meaningful, as it is the removal of available funding that leads to an increased obligation rate. The last three columns of Table 3 illustrate this effect. For this reason, NTEC provides yearly obligation rates which are based on apportionments rather than the available balance, shown in Table 2, page 13.

Figure 8: Rescissions from TE vs. FHWA Overall

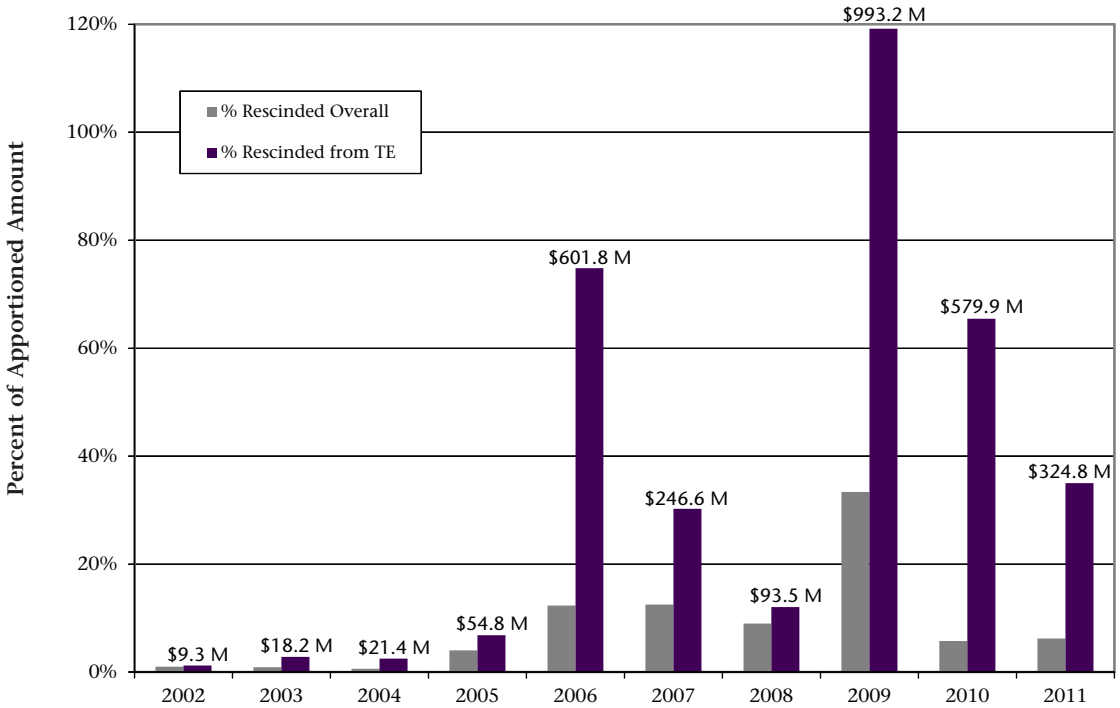


Table 3: FHWA and TE Rescissions for FY 2011 (in dollars)

State	2011 Apportionment		%	Rescission 1		% from TE	Ob. Rate Before	Ob. Rate After	% Change
	FHWA	TE		FHWA	TE				
Alabama	$787,302,757	$17,312,896	2%	$40,577,594	$8,910,257	22%	95%	100%	4%
Alaska	$520,330,965	$10,562,173	2%	$37,205,268	$10,195,597	27%	93%	100%	7%
Arizona	$759,261,430	$18,175,952	2%	$47,164,571	$0	0%	87%	87%	0%
Arkansas	$537,274,609	$13,119,654	2%	$32,922,951	$4,997,892	15%	85%	89%	4%
California	$3,808,733,995	$83,975,001	2%	$238,421,585	$0	0%	95%	95%	0%
Colorado	$554,906,032	$13,782,246	2%	$35,030,977	$2,374,700	7%	85%	86%	1%
Connecticut	$521,207,939	$8,838,173	2%	$35,171,036	$7,229,457	21%	92%	97%	6%
Delaware	$175,539,810	$4,534,977	3%	$10,628,872	$29,226	0%	96%	96%	0%
District of Columbia	$165,578,146	$3,925,692	2%	$10,497,108	$2,957,560	28%	90%	97%	7%
Florida	$1,966,140,317	$54,620,047	3%	$120,721,687	$4,163,325	3%	98%	99%	1%
Georgia	$1,339,910,881	$35,046,255	3%	$82,437,910	$39,583,654	48%	70%	78%	7%
Hawaii	$175,514,253	$4,031,842	2%	$12,985,655	$700,045	5%	87%	87%	1%
Idaho	$296,811,124	$6,275,062	2%	$19,120,790	$6,023,062	32%	91%	100%	9%
Illinois	$1,475,373,585	$35,646,466	2%	$93,556,070	$11,278,622	12%	64%	66%	2%
Indiana	$988,794,789	$24,515,439	2%	$62,926,886	$0	0%	87%	87%	0%
Iowa	$499,337,822	$12,750,722	3%	$31,098,041	$7,774,510	25%	89%	93%	4%
Kansas	$392,152,564	$11,275,561	3%	$23,306,385	$5,130,618	22%	84%	87%	3%
Kentucky	$689,494,472	$14,961,614	2%	$41,397,498	$9,715,416	23%	74%	78%	3%
Louisiana	$728,329,987	$14,285,384	2%	$46,135,051	$2,684,959	6%	95%	97%	2%
Maine	$191,557,170	$4,046,140	2%	$11,225,644	$0	0%	98%	98%	0%
Maryland	$621,866,071	$12,812,734	2%	$39,736,278	$3,018,829	8%	78%	79%	1%
Massachusetts	$630,252,196	$11,917,734	2%	$42,481,280	$10,000,000	24%	47%	50%	3%
Michigan	$1,092,589,711	$28,640,486	3%	$65,607,265	$10,378,737	16%	92%	95%	3%
Minnesota	$676,678,964	$19,917,918	3%	$39,300,550	$2,317,152	6%	95%	95%	1%
Mississippi	$501,890,586	$12,659,441	3%	$29,797,736	$0	0%	80%	80%	0%
Missouri	$982,398,440	$23,275,806	2%	$59,323,624	$1,423,767	2%	80%	80%	0%
Montana	$425,772,913	$7,469,634	2%	$27,034,888	$10,000,000	37%	78%	86%	8%
Nebraska	$299,945,622	$7,851,727	3%	$18,489,676	$8,000,000	43%	88%	97%	9%
Nevada	$376,815,417	$8,667,411	2%	$24,132,973	$5,069,340	21%	93%	100%	7%
New Hampshire	$171,456,210	$4,042,906	2%	$10,884,741	$300,000	3%	86%	86%	0%
New Jersey	$1,036,116,767	$20,232,766	2%	$69,088,294	$3,220,112	5%	78%	79%	1%
New Mexico	$381,080,635	$8,280,818	2%	$23,799,238	$1,885,183	8%	91%	93%	2%
New York	$1,741,860,554	$30,278,229	2%	$114,485,672	$15,813,172	14%	73%	76%	3%
North Carolina	$1,080,286,189	$25,542,597	2%	$66,327,579	$12,745,835	19%	86%	90%	4%
North Dakota	$257,632,700	$5,006,793	2%	$15,829,723	$4,181,034	26%	93%	99%	6%
Ohio	$1,390,981,420	$31,411,538	2%	$85,937,803	$10,000,000	12%	90%	92%	3%
Oklahoma	$658,137,696	$17,424,952	3%	$40,539,888	$28,907,400	71%	81%	96%	15%
Oregon	$518,684,306	$11,733,339	2%	$32,478,293	$69,901	0%	92%	92%	0%
Pennsylvania	$1,702,633,002	$27,996,402	2%	$106,764,339	$20,992,405	20%	89%	94%	5%
Rhode Island	$226,947,658	$4,030,996	2%	$14,957,696	$687,301	5%	94%	95%	1%
South Carolina	$651,505,905	$17,658,176	3%	$39,157,634	$8,466,393	22%	86%	91%	4%
South Dakota	$292,649,713	$6,610,086	2%	$18,060,164	$9,168,603	51%	84%	100%	16%
Tennessee	$876,909,335	$21,116,970	2%	$51,950,327	$10,800,000	21%	76%	80%	3%
Texas	$3,274,768,940	$84,849,258	3%	$200,895,021	$0	0%	82%	82%	0%
Utah	$334,326,955	$7,918,656	2%	$21,428,634	$5,273,785	25%	87%	92%	5%
Vermont	$210,610,441	$4,600,613	2%	$12,343,391	$1,570,696	13%	79%	81%	2%
Virginia	$1,056,004,479	$24,895,934	2%	$62,861,937	$2,045,622	3%	91%	92%	1%
Washington	$703,485,046	$14,954,276	2%	$43,727,418	$0	0%	98%	98%	0%
West Virginia	$453,501,471	$8,346,013	2%	$26,307,129	$500,000	2%	98%	98%	0%
Wisconsin	$780,812,921	$21,648,687	3%	$46,472,817	$14,183,364	31%	90%	98%	8%
Wyoming	$265,847,836	$4,033,262	2%	$17,266,413	$7,643	0%	95%	95%	0%
Total	$40,248,002,746	$927,507,454	2%	$2,500,000,000	$324,775,174	13%	85%	88%	3%

Programming Analysis

This section presents major findings from the self-reported programming data collected from each state DOT. NTEC's nationwide list of programmed TE projects enables analysis of states' TE funding priorities across the 12 eligible activities. The funding levels represented in this section are programming numbers, not obligations. These programming numbers are obtained through a voluntary survey of state DOTs.

The Project List

Each year NTEC asks state DOTs to provide information on programmed projects. Programmed projects are those approved to receive TE funding by individual states. As a result, NTEC's database now spans 20 fiscal years of TE programming.

Table 1 (page 11) indicates that the cumulative level of programming for FY 1992 through FY 2011 is $10.3 billion, which represents 77% of all apportionments and 98% of all available funding. This high rate represents the continuing popularity of TE-eligible projects nationwide, with approved projects maxing out the currently available funding.

NTEC's data also shows that 19 states have selected projects for future fiscal years. The database now has 801 future-programmed projects worth $477 million in federal TE funding. The future programming data suggests that there are TE projects in the design and development stages planned for future years.

There are some important issues to note regarding programming data. While NTEC makes every effort possible to accurately reflect state project selection, it is likely that some errors occur because of data reporting problems. For example, for 18 states, NTEC's programming figures are lower than actual obligations. The reasons for this could include:

- Older project data were not completely reviewed or updated (some states report an inability to track older, ISTEA-era projects);
- The project data provided to NTEC did not include all selected projects;
- Differences in methodology for tracking projects.

Another issue to note is that 33 states have programming totals that are higher than their available balances. Possible reasons for this include:

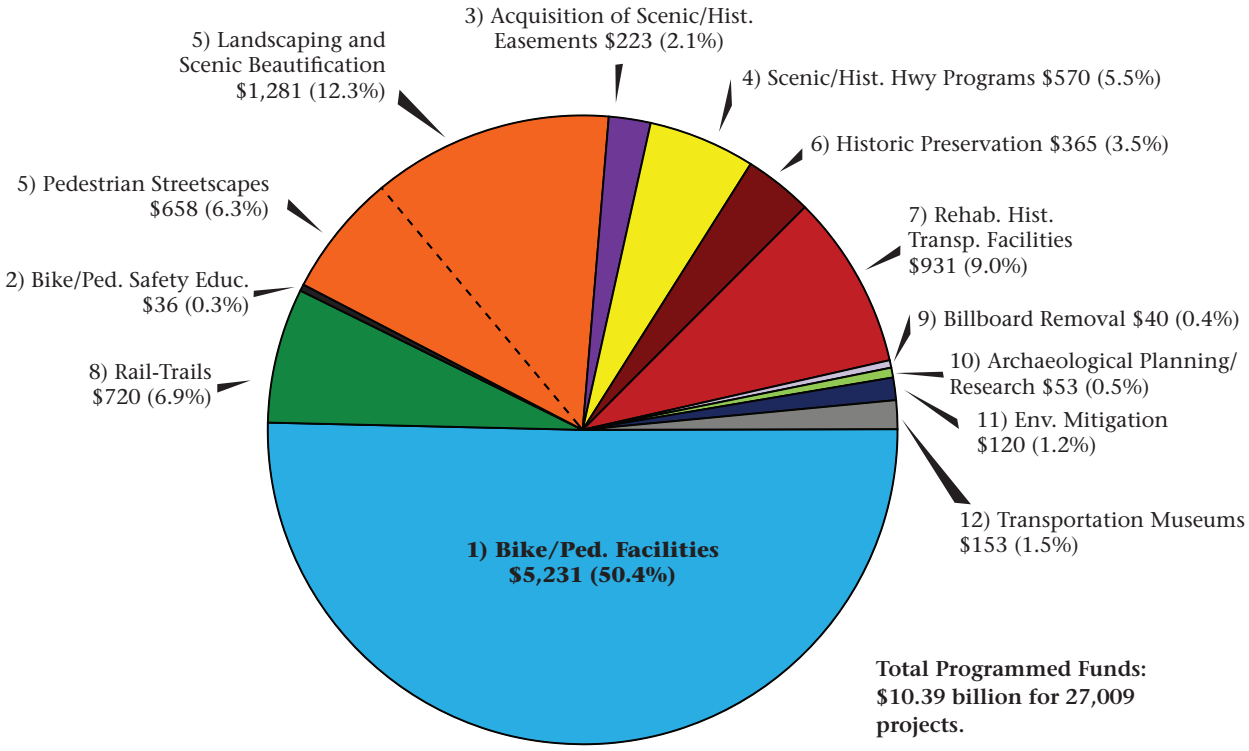
- States program more than their apportionments with the expectation that some projects will be dropped or some bids will come in lower than the initial cost estimate;
- Older project data were not updated, so projects that have been dropped or had their funding levels changed are not accounted for;
- Years assigned to projects may be incorrect or vary, some states enter the year of the project award while some states enter the year of expected construction as listed in the Statewide Transportation Improvement Program (STIP);
- Future year projects which are in the engineering or design phases are included with current projects; and
- States may combine a TE project with other federal or state funding, but not differentiate these in their data submission to NTEC.

Findings by Transportation Enhancement Activity

Figure 9 illustrates the distribution of funding across all 12 activities for FY 2011. Overall, the percentages have shifted only slightly from previous years. The overall average funding award was $384,277, but there are differences in this statistic across project funding categories. Bicycle and pedestrian facilities (Activity 1) received over half of all programmed funding at 50.3%, with an average project funding award of $374,959.

Category 5, landscaping and scenic beautification, accounts for the second largest slice of spending, 18.7%. The majority of projects in the landscaping and scenic beautification category involve landscaping along highways and at interchanges, including native wildflower planting. Streetscape projects are also popular in this category, and their numbers have been increasing. In response to the proliferation of this type of TE activity, NTEC has begun tracking a subclassification of Category 5 projects to distinguish pedestrian streetscapes from other beautification projects. This division is reflected in Figure 9 below. The average Category 5 project funding award for a pedestrian streetscape is $413,199, one-third higher than the average project award for other landscaping projects, $310,512. This reflects the higher cost of these types of projects, which frequently involve custom paving materials, historic lighting, street furniture, and retrofitting

Figure 9: Distribution of Federal Funding by TE Activity FY 1992 through FY 2011 (in millions of dollars)



Project Count for Each Category:

1	2	3	4	5	6	7	8	9	10	11	12	Total
13,952	208	383	1,060	5,828	1,131	2,026	1,391	66	218	441	305	27,009

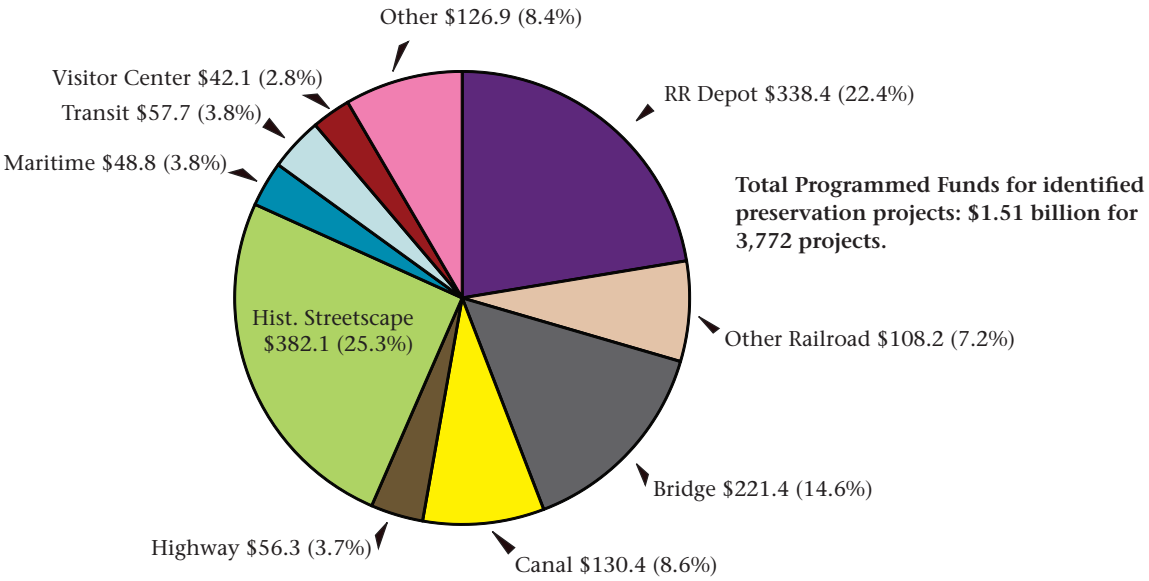
To see Figure 9 for an individual state, please visit www.enhancements.org/stateprofile.asp

of existing urban infrastructure. The increased value of these investments is precisely why these projects are very popular with local communities for their combined impact on transportation and economic development. Other landscaping and scenic beautification projects generally require less preliminary engineering, right-of-way acquisition, and permitting than other types of TE projects and generally can be completed more quickly.

Average funding for Category 4 projects, scenic or historic highway programs, is $548,108. The vast majority (71%) of these projects are visitor centers. Some also pertain to signing, interpretation, and planning for scenic byways. Category 4 projects account for less than 6% of all TE spending.

Categories 6 and 7, historic preservation and rehabilitation of historic transportation facilities together account for 13% of funding. While this percentage has continued to decrease since FY 2000, funding for these categories fills a continuing need and desire in many states to preserve the historic texture and meaning of our local, state, and national transportation infrastructure. These projects include both operational transportation facilities, as well as buildings that relate to surface transportation by enhancing the travel experience, but do not serve primarily as transportation facilities, such as historic hotels, gas stations, and stagecoach inns. Figure 10, below, illustrates the distribution of TE programmed funding to historic preservation activities (primarily, but not exclusively, funded under categories 6 and 7) roughly categorized by transportation facility types. This figure also includes TE projects outside of categories 6 and 7 that have a strong historic preservation component.

Figure 10: Distribution of Funding Across Projects with Designated Historic Preservation Subtypes from FY 1992 to FY 2011 (in millions of dollars)

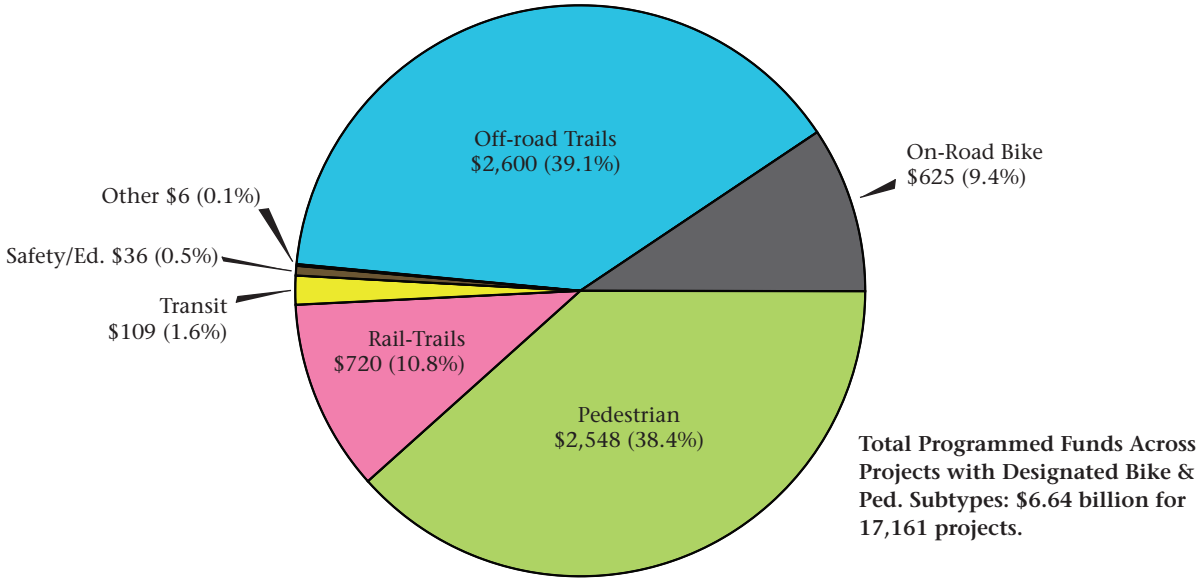


The growth and new dominance of historic streetscapes in this area is a new trend in FY 10 and FY 11. These historic streetscapes may include traditional pavement materials, curb styles, lighting, building facades, and pedestrian facilities. More traditionally, preserving and rehabilitating railroad depots composes the second-largest share of preservation-related funding, followed by bridges. The category labeled 'Other' includes schools, city halls, and historic houses and encompasses a significant portion of TE historic preservation projects and funding. Maritime facilities include lighthouses, historic canal boats, and ferry landings.

Bicycle and Pedestrian Project Subtypes

Bicycle and pedestrian facilities attract the largest percentage share of programmed TE funding. NTEC tracks the funding of project "subtypes" within these activities, based on state DOT project lists. Figure 11 above presents the distribution of federal programmed funding to TE project categories with a strong bicycle and pedestrian component (primarily, but not limited to, TE Categories 1, 2, and 8). Category 5 landscaping projects that are pedestrian-oriented streetscapes are included in this figure. Pedestrian facilities and off-road trails receive roughly equal shares of programmed TE funding across these categories, while respectively, rail-trails and on-road bicycle facilities comprise the third and fourth largest shares.

Figure 11: Distribution of Funding across Projects with Designated Bike & Pedestrian Subtypes for FY 1992 through 2011 (in millions of dollars)



The average rail-trail project received $519,373 in TE funding. This figure is significantly larger than funding for the average TE project. Several theories have been proffered to explain the decline in the number of rail-trail projects being initiated over time. Rail-trails are often larger, more complex, and take longer to realize than other types of TE projects. Most of the more straightforward rail-trail projects have already been developed. Those projects that remain may face more complex issues with respect to ownership, valuation, or liability. In addition, the rate of railroad abandonment has decreased across the country as railroads have begun to retain corridors in hopes of restarting service. Nevertheless, many extensions and rails-with-trails projects remain.

Future Programming

Seventeen states programmed 801 projects for future years (beyond 2011). Bicycle and pedestrian facilities account for 64% of future programmed funding, and landscaping projects will receive 12.3%, which is lower than the previous two years. The decrease in landscaping was largely offset by an increase in historic preservation projects, which total 12.8%.

While these figures show a shift across TE activities, they should not be interpreted as a prediction of where TE funding will be programmed by all states in the future, since most states did not report future programming. Nonetheless, these numbers provide an interesting glimpse

into future funding that has been programmed.

Average Federal Awards and Match Rates

NTEC's national project list provides funding information on a project-by-project basis. These data allow NTEC to analyze the average project award in each state. Table 4, page 24, illustrates that as of FY 2011, the average federal project award was $384,277 nationwide. Average awards by state varied from $115,020 in Montana to $1,417,480 in Hawaii.

The Federal-aid Highway Program requires that federal highway funding be matched with funding from other sources. These funds are commonly referred to as the non-federal share of project costs, even if the match came from another federal agency using the "innovative financing" provision under 23 U.S.C. 133(e)(5)(C). In general, the funding is provided with a maximum federal share of 80%, necessitating that a minimum of 20% of the funding come from non-federal sources. Some states that have large federal land holdings are provided larger federal shares on a sliding scale. Statutory provisions allow the ratios to vary on a project-by-project basis provided that for a given fiscal year, the program as a whole reflects an average 20% non-federal share, subject to the sliding scale.

Each state DOT establishes its own guidelines and requirements for providing the non-federal share of project costs. Some states require local sponsors to provide a share of project costs. The amount required varies by state. Arizona, for example, with its large federal land holdings and correspondingly higher federal share, passes along the "savings" in non-federal share by requiring only a 5.7% match of total project costs by project sponsors. Maryland, on the other hand, requires a 50% match by project sponsors in order to spread the available federal funding across more projects. Some states (e.g. Florida, New Jersey, and Pennsylvania) use toll credits to supplement sponsor contributions and meet non-federal share requirements. All states are allowed by law to count the value of donations (i.e. cash, land, materials, or services) towards the non-federal share. Some states recognize these in-kind donations as part of the non-federal share, others do not. An overview of state-specific policies can be found on the NTEC website, www.enhancements.org/stateprofile.asp.

States report non-federal share information to NTEC in different ways. Some states report the entire non-federal share of project costs, while others (e.g. Florida) report only the portion of the non-federal share that the sponsor actually pays, and not the portion supplied by toll credits. Some states report the value of in-kind donations, others do not. Table 4 on page 24 provides information on matching fund levels reported by each state.

In FY 2011, the average national match rate was 28.5%. As in previous years, this rate surpassed the federal share required under 23 U.S.C. 120. Table 4 shows that 36 states had a match rate higher than 20%, and 18 of these states had a rate higher than the national average. Overall, this higher national match rate is attributable to state policies that encourage or require a higher non-federal share, project sponsors voluntarily providing more funding than required, or the state choosing not to use federally-approved procedures for reducing or eliminating the required non-federal share.

Table 4: Cumulative Programmed Federal Awards and Matching Funds, FY 1992 through FY 2011 (in thousands of dollars)

State	Project Count	Federal Awards	Avg. Federal Award	Matching Funds	Match Rate*
Alabama	838	$193,863	$231	$51,779	21%
Alaska	262	$126,161	$482	$15,859	11%
Arizona	444	$189,082	$426	$57,278	23%
Arkansas	498	$109,456	$220	$65,334	37%
California	1,593	$1,035,689	$650	$510,222	33%
Colorado	624	$144,857	$232	$69,494	32%
Connecticut	175	$122,014	$697	$30,503	20%
Delaware	167	$48,799	$292	$40,755	46%
District of Columbia	109	$39,235	$360	$9,772	20%
Florida	1,474	$556,220	$377	$29,056	5%
Georgia	809	$351,841	$435	$96,847	22%
Hawaii	40	$56,699	$1,417	$20,244	26%
Idaho	163	$56,762	$348	$12,258	18%
Illinois	615	$409,724	$666	$108,433	21%
Indiana	547	$296,836	$543	$134,444	31%
Iowa	722	$212,757	$295	$141,563	40%
Kansas	328	$163,045	$497	$90,818	36%
Kentucky	818	$196,429	$240	$59,295	23%
Louisiana	502	$190,264	$379	$26,390	12%
Maine	299	$65,683	$220	$18,882	22%
Maryland	276	$203,788	$738	$298,577	59%
Massachusetts	259	$94,112	$363	$24,375	21%
Michigan	1,354	$336,002	$248	$98,806	23%
Minnesota	554	$265,152	$479	$178,417	40%
Mississippi	294	$144,585	$492	$28,749	17%
Missouri	916	$242,564	$265	$108,744	31%
Montana	696	$81,651	$117	$27,372	25%
Nebraska	624	$101,112	$162	$58,920	37%
Nevada	151	$78,046	$517	$19,162	20%
New Hampshire	229	$83,299	$364	$27,144	25%
New Jersey	355	$134,903	$380	$76,859	36%
New Mexico	411	$150,126	$365	$49,810	25%
New York	522	$407,763	$781	$314,388	44%
North Carolina	921	$261,302	$284	$70,788	21%
North Dakota	272	$59,762	$220	$25,533	30%
Ohio	758	$354,210	$467	$101,375	22%
Oklahoma	388	$147,284	$380	$40,717	22%
Oregon	214	$124,211	$580	$42,196	25%
Pennsylvania	1,016	$436,681	$430	$64,468	13%
Rhode Island	208	$56,406	$271	$12,246	18%
South Carolina	686	$109,899	$160	$47,601	30%
South Dakota	209	$44,879	$215	$22,199	33%
Tennessee	626	$247,345	$395	$59,535	19%
Texas	538	$656,165	$1,220	$159,533	20%
Utah	185	$77,481	$419	$30,136	28%
Vermont	352	$59,895	$170	$16,218	21%
Virginia	618	$302,861	$490	$340,750	53%
Washington	809	$214,622	$265	$89,690	29%
West Virginia	547	$94,924	$174	$23,736	20%
Wisconsin	632	$187,794	$297	$56,161	23%
Wyoming	362	$54,698	$151	$11,649	18%
TOTAL	**27,009**	**$10,378,936**	**$384**	**$4,115,081**	**28%**

* Match rate is calculated from total project funding (Federal and match)

Conclusion

Transportation Enhancement funding continues to be in high demand. Most states report that they can not fund all of the qualified projects and many sponsors are providing larger than the required non-federal share of project costs.

In 2011, the 12 TE-eligible activities were funded at similar percentages as in past years with minor changes. Category 1, bicycle and pedestrian related facilities, continues to contain over half of all selected projects and 50% of the total funding for the TE program. The percentage of funding for all other projects remained the same as last year.

Analyzing the states' use of federal funds using three measures of obligations provides the most balanced assessment of TE financial performance.

Cumulative Obligation Rate: FHWA's stated goal for the national cumulative obligation rate of the TE program is at least 75%. This year, the cumulative national obligation rate was 88% of the available balance, but only 69% of original apportionments. Individual state rates range from a low of 37% to a high of 95% (page 11).

Obligation of Yearly Apportionment: States obligated only 59% of the FY 2011 annual apportionment. Individually, the analysis showed that states ranged from 155% to 0% in obligation of the yearly apportionment (page 13).

Unobligated Balances: There is still a significant accumulation of unobligated funds at the national level, a balance of $1.26 billion. At the state level, 32 have unobligated balances of zero or a balance of less than one year's apportionment. In fact, just 3 states receiving only 16% of national apportionments over the past five years are responsible for 30% of the remaining national unobligated balance (see Table 2).

Once projects become obligated, states are supporting them through completion and reimbursement. Nationwide, the cumulative reimbursement rate is well above 80%. Unobligated funding, however, highlights challenges in project implementation at both the state and local level. Since TE funds are programmed at 99% of available levels, states do value these projects, but advancing these projects to completion remains a challenge. TE projects bring social, economic, and mobility benefits to thousands of communities nationwide and there is the opportunity to improve project delivery at both the state and local levels. Improving project delivery will help to increase states' obligation rates for TE and bring it up to the level of other Federal-aid highway programs.

Analysis of clearinghouse data shows that a state's priorities and management are the keys to TE program success. Higher program success correlates with minimal delay between obligation and reimbursement. Through NTEC's interactions and technical assistance to the states, four causes seem to contribute to delays: (1) drawn out project selection and review processes, (2) unprepared or inexperienced project sponsors, (3) state procedures for obligating TE projects, and (4) low priority of TE among a state's transportation leadership. States find their programs languishing when they do not grant obligating authority for TE and the DOT has not cultivated an ever-growing community of experienced project sponsors.

When TEA-21 expired in 2003, funding for highway programs continued through 12 short-term extensions spanning almost two years. These short-term extensions prevented a total shutdown of the Federal-aid Highway Program but disrupted the orderly and predictable flow of funding. Many state DOTs were unwilling to plan for TE projects under these conditions, as reflected in the dip in obligations during the TEA-21 extension period. Since the end of FY 2009, the TE program finds itself once again in this situation. Funding transportation through extensions indicated this pattern of declining TE obligations and fewer new TE projects in FY 2011. This pattern can be expected to continue until a new authorization is enacted.

Appendix A: TE Obligations Explained

Obligations

An obligation is a formal agreement between the federal government and the state partner that the federal government will reimburse the state for up to the maximum federal share of eligible project costs. The agreement indicates that the federal government recognizes that the project meets federal criteria, and that the state will comply with federal rules and regulations governing project work. It represents a high level of commitment on the part of both the state DOT and the FHWA to advance a project. Obligations are typically made when a project or discrete project phase is ready to have consultants or contractors begin billable work. Obligations are tracked in the FHWA financial accounting system known as the Fiscal Management Information System (FMIS). It should be noted that obligation figures by definition include a mix of both completed and soon-to-be completed work.

Obligation Limitation

Along with annual apportionments, Congress sets a limitation on obligations for that year to control annual federal expenditures of the Federal-aid Highway Program. Obligation authority is then distributed among the states. Obligation limitation is a requirement applied to the entire Federal-aid Highway Program. Though simplified for this report, the nature of the limitation is one of macro proportions, and is not tracked by FHWA at the level of programs such as TE. Within the state's overall limitation, each state has discretion to choose how to use funding among the various Federal-aid highway programs as long as the total obligations do not exceed the set limit. Therefore, while it may appear that states are not obligating all of their apportionment, not all of this funding may be accessible in a given year. For example, in FY 2010 Congress imposed an overall obligation limitation such that only approximately 92% of total apportionments nationwide could be obligated. Many state DOTs cite obligation limitation for restricting TE programs. That said, the DOTs are largely responsible (23 U.S.C. 145) for how they distribute the limitation among Federal-aid programs.

Some state DOTs evenly distribute the obligation limitation across all programs, while other DOTs place lower limitations on some programs and higher ones on others. Some state TE managers have reported that in their state's DOT TE is considered a lower priority. Limitations on obligations should be kept in mind as this report discusses TE obligation rates.

Interpreting Obligation Rates

Obligation rates are suited to track changes at the national and state level over time. However, comparisons across states need to consider several factors that can affect obligation rates. Low obligation rates do not necessarily reflect a low commitment to TE by a state. Obligation rates are best explained in terms of state-specific policies and procedures for implementing TE projects.

There are several factors that can lead to low obligation rates:

Alternate funding. There are many TE-eligible projects being funded from federal, state, and local sources other than TE. At the federal level alone, projects may be funded by area-suballocated Surface Transportation Program funding, Safe Routes to School, or the Congestion Mitigation and Air Quality Improvement Program.

Obligation limitation. Congress, in its annual appropriations acts, sets the annual obligation limitation for the overall amount of Federal-aid highway funding that can be obligated. FHWA informs the states of these limits and monitors for compliance. State DOTs choose how they will manage the required obligation limitation across their programs at their discretion.

Appendix A (continued)

Accounting practices. State procedures for obligating projects and varying accounting practices impact the obligation rate. Some states obligate project funding in stages as they are ready to proceed. Some states pay for only the construction phase of TE projects and release full obligation authority once construction is ready to occur. States with lower obligation rates often use one of these methods. States that release full project obligation for all stages earlier in the process tend to have higher obligation rates.

Level of design detail and environmental review. Some DOTs reportedly treat TE projects more like highways, requiring a level of design detail and environmental review that can be at odds with the small-scale nature of most TE projects and at odds with federal recommendation that encourages a streamlined approach. Such strict requirements slow down the implementation of projects, thus creating a barrier between the programming and obligation stages.

Inexperienced sponsors. Problems in the project development process that have led to significant project delay are often the result of inexperienced project sponsors that lack the preparation and support to implement projects in a timely manner. States do not obligate funding when expected due to delays resulting from inaccurate cost estimates, the inability to raise matching funding, unfamiliarity with environmental and historic preservation review requirements, and the use of inappropriate design standards. Some states have effectively dealt with this problem by providing more support to project sponsors during the application process as well as during implementation by developing training programs, increasing staff resources, and hiring consultants.

Right-of-way acquisition. Some states have faced costly legal actions due to right-of-way issues and have subsequently adopted more stringent requirements. To combat this problem, some states require applicants to obtain a written right-of-way agreement prior to project selection.

There are several factors that can lead to high obligation rates:

Priority. In some states, demand for the TE program at both local and leadership levels has motivated states to obligate close to the maximum allowable amount, which is the apportioned amount.

Rescissions. Congress occasionally enacts legislation that cancels the availability of funding previously authorized before the funding is set to expire. When funds are rescinded by states, the available balance for obligation is reduced, and thus the obligation rate increases, though no new obligations have occurred. This affects only the obligation rate calculated out of the available balance. Obligation rates calculated in reference to historic apportionments are not affected by rescissions.

Appendix B: Glossary

Authorization is a statutory provision created by Congress that creates or extends a federal program, such as the Federal-aid Highway Program. An authorization can be open-ended, but typically transportation authorizations are for a set number of years.

Apportionments are the funds distributed among the states by the FHWA as prescribed by statutory formula. Transportation Enhancement funds are a minimum 10% set aside from the Surface Transportation Program (STP) funding category, plus 10% of the portion of Equity Bonus Program distributed to the STP.

Appropriations are annual acts of Congress that set a limit on the obligations a state can make from apportioned funds in a given fiscal year.

Programming is the first step in the formal transportation spending process. Programmed projects are those that have been approved at the state level by the appropriate jurisdiction, ruling body, or official. This may be the TE advisory committee, state transportation commission, legislature, state Secretary of Transportation, or Governor. Upon approval TE projects are listed in the Statewide Transportation Improvement Program (STIP) and, if appropriate, in a metropolitan area TIP as well. The figures presented in this report as programmed are cumulative totals beginning with the first fiscal year of ISTEA, 1992. As states make revised funding levels available for projects programmed in earlier years, these changes are reflected in the NTEC database.

Federal Aid are funds from the federal government made available to the states to build the highway system. These funds traditionally come from the Highway Trust Fund, which draws revenue from the federal gasoline tax and other sources.

Matching Funds are funds from any non-Federal Highway Administration source (except the Recreational Trails Program) that are used to cover the costs of a project. Typically, only up to 80% of the eligible costs of a Federal-aid highway project, including TE projects, can be reimbursed by the federal government. Most western states are eligible for a "sliding scale" that allows a higher federal share (up to 95% in Nevada), based on the proportion of Federal lands within the state. The remaining project costs must be covered by matching funds. States also have the option to account for matching funds across the program as a whole, rather than at the project level.

Obligations, Obligation Limitation, and Obligation Rates are addressed in Appendix A.

Reimbursements are the amount of funds FHWA has reimbursed to the states for completed work on TE projects, regardless of whether the project is only partially or fully complete. Reimbursement is essentially the last step in the spending process. While it is not necessarily the most accurate measure of completed projects, it is the only measure readily available on a nationwide basis.

Rescissions are funds removed from unobligated balances, by Act of Congress. While Congress sets the total rescission amount, FHWA calculates the share each state is responsible for based on the original distribution of Federal-aid funds. The states in turn are required to return those funds. In the past, states had discretion over how to assign the rescissions among their Federal-aid programs. For the FY 2008 rescission and one rescission in FY 2009, the 2007 Energy Independence and Security Act required that states distribute the rescission proportionately over their Federal-aid programs, within a margin of 10%.

Transfers indicate the amounts of money transferred from the TE program to other transportation programs. The Uniform Transferability Provision (23 U.S.C. 126) limits the amounts of funds that can be transferred from TE to other Federal-aid highway programs in a given year. States can transfer up to 25% of the portion of the annual TE funding that is above the state's FY 1997 TE apportionment level. States are also permitted to transfer TE funds to the Federal Transit Administration (FTA) under the requirements of Chapter 53 of title 49, U.S.C. There is no limit on the amount that can be transferred to FTA; however, the transferred funds must be used for TE-eligible activities. Transfers are tracked by FMIS.

Appendix C: Legislative Timeline

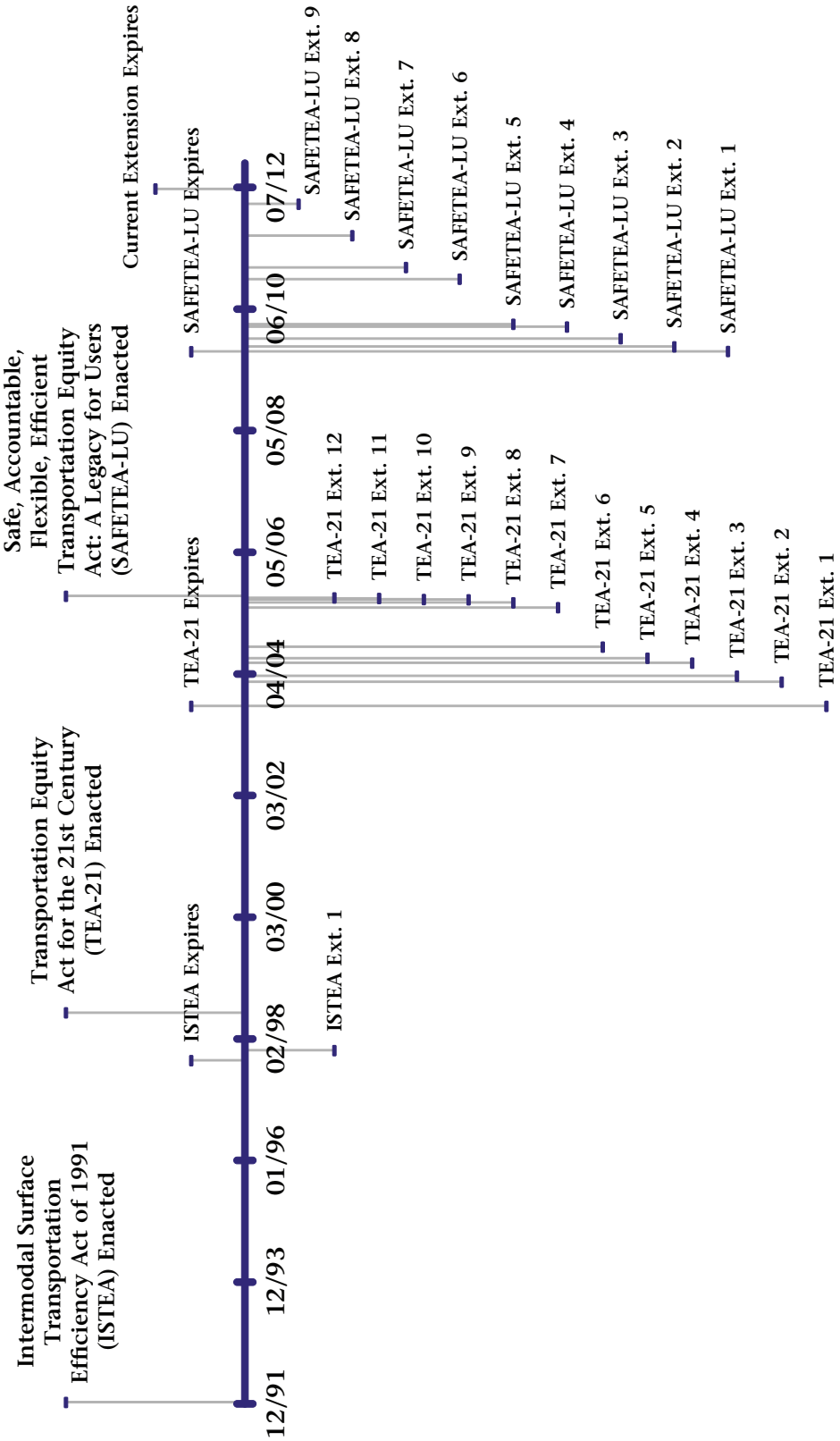


Figure 12: Timeline of Transportation Authorization Acts

Appendix D: Revised Apportionments

Each year, prior to the State apportionment, Equity Bonus funds are added to the total Surface Transportation Program funding pool. The equity bonus ensures several things. First, it ensures that states receive at least a specified percentage of that state's contributions to the Highway Account of the Highway Trust Fund. Second, it guarantees states with certain characteristics such as low population density or low median household income, receive apportionments at least as high as the states average annual share under TEA-21. Lastly, it guarantees that no state will receive less than a specified percentage of its average annual apportionments under TEA-21.

The Recreational Trails Program (RTP) apportions 50% of its funding equally between states and the remaining 50% is split depending on the degree of non-highway recreational fuel use in the previous year. An error in calculating the non-highway recreational fuel use for light trucks led to an incorrect distribution of funding to states. A low estimate for light truck mileage led to an increased share for all-terrain vehicles, snowmobiles, and off-highway motorcycles. The use of light trucks, off-highway motorcycles, and all-terrain vehicles is somewhat constant through the United States while snowmobiling is concentrated in northern states. This caused states with significant snowmobiling to receive an excessive share or RTP apportionments and southern states to receive a reduced apportionment.

FHWA issued revised apportionments to the Recreational Trails Program so that states received the proper amount of RTP funding under law. Although funding amounts for the whole RTP program did not change, the revised apportionments changed how much states were due under the equity criteria of the Equity Bonus Program. The distribution of the revised equity bonus led to a very slight change in overall apportionments for the Transportation Enhancements Program. Minnesota (-$12,354) and Wisconsin (-$10,451) saw the largest reductions in total funding from FY 2009 – FY 2011 while Florida ($15,964) and Texas ($26,167) saw the largest increase. 33 states saw a difference of more than $1,000 in total apportionments and three states saw no difference at all.

Table 5: Change in Transportation Enhancements Apportionments from FY 2009 - FY 2011

State	Δ Apportionments			
	FY 2009	FY 2010	FY 2011	Total
Alabama	$0	$0	-$7,366	-$7,366
Alaska	-$6,278	-$6,278	$10,565	-$1,991
Arizona	$7,632	$7,632	-$8,060	$7,204
Arkansas	$0	$2,585	-$2,986	-$401
California	$0	$22,942	-$26,530	-$3,588
Colorado	-$1,529	-$1,529	$1,956	-$1,102
Connecticut	$0	$0	$0	$0
Delaware	$659	$659	-$769	$549
Dist. Of Col.	$158	$158	-$154	$162
Florida	$17,152	$17,152	-$18,340	$15,964
Georgia	$0	$3,511	-$3,531	-$20
Hawaii	$0	$1,883	-$2,346	-$463
Idaho	$494	$493	-$493	$494
Illinois	-$2,633	-$2,633	$3,869	-$1,397
Indiana	-$2,377	-$2,377	$2,876	-$1,878
Iowa	$1,934	$1,934	-$2,253	$1,615
Kansas	$0	$5,175	-$5,986	-$811
Kentucky	$497	$496	-$405	$588
Louisiana	$1,795	$1,795	-$2,010	$1,580
Maine	$0	$0	$2,070	$2,070
Maryland	$0	$0	-$38	-$38
Massachusetts	$0	$0	$0	$0
Michigan	$0	-$21,936	$24,920	$2,984
Minnesota	-$15,999	-$15,998	$19,643	-$12,354
Mississippi	$1,674	$1,673	-$1,877	$1,470
Missouri	$3,605	$3,605	-$4,008	$3,202
Montana	$1,745	$1,737	-$2,091	$1,391
Nebraska	$3,741	$3,741	-$4,349	$3,133
Nevada	$1,393	$1,393	-$1,768	$1,018
New Hampshire	$0	-$3,496	$3,956	$460
New Jersey	$429	$429	-$281	$577
New Mexico	$4,996	$4,995	-$5,654	$4,337
New York	$0	-$9,085	$10,589	$1,504
North Carolina	-$308	-$308	$575	-$41
North Dakota	$0	$455	-$492	-$37
Ohio	-$1,782	-$1,782	$2,343	-$1,221
Oklahoma	$0	$9,644	-$11,833	-$2,189
Oregon	$1,609	$1,608	-$1,930	$1,287
Pennsylvania	$0	$0	$0	$0
Rhode Island	$0	$0	$47	$47
South Carolina	$967	$966	-$904	$1,029
South Dakota	$1,805	$1,805	-$2,174	$1,436
Tennessee	$3,851	$3,851	-$4,233	$3,469
Texas	$27,791	$27,792	-$29,416	$26,167
Utah	-$89	-$89	$224	$46
Vermont	-$2,200	-$2,201	$3,388	-$1,013
Virginia	$3,796	$3,796	-$4,102	$3,490
Washington	$1,718	$1,698	-$1,917	$1,499
West Virginia	$1,124	$1,124	-$1,233	$1,015
Wisconsin	-$12,633	-$12,633	$14,815	-$10,451
Wyoming	$1,354	$1,354	-$1,496	$1,212
Total	$46,091	$57,736	-$59,189	$44,638

Table 6: Transfers of TE Funds (in thousands of dollars to other Federal-aid Highway Programs and the Federal Transit Administration)

State	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Total TE Funds Transferred FY2002-10
Arizona									$2,212 (NHS)		$2,212
Arkansas										$1,162 (NHS)	$1,162
California	$2,677 (FTA)	$7,883 (FTA)	$4,561 (FTA)	$3,426 (FTA)	$476 (FTA)	$8,204 (FTA)	$1,352 (FTA)	$229 (FTA)	$917 (FTA)	$954 (FTA)	$30,679
Colorado	$257 (FTA)	$325 (FTA)	$28 (FTA)	$227 (FTA)		$197 (FTA)	$179 (FTA)	$504 (FTA)	$132 (FTA)		$1,849
Connecticut						$1,680 (FTA)					$1,680
Florida	$168 (FTA)			$500 (FTA)	$600 (FTA)	$432 (FTA)	$300 (FTA)		$1,388 (FTA)	$1,256 (FTA)	$4,644
Georgia								$20,025 (NHS)		$7,065 (NHS)	$27,090
Indiana									$284 (RTP)		$284
Louisiana							$7,201 (NHS)		$1,682 (ISM)		$8,884
Michigan	$186 (FTA)				$1,392 (FTA)	$74 (FTA)	$49 (FTA)	$529 (FTA)	$16 (FTA)		$4,716
							$2,470 (NHS)				
Minnesota									$2,215 (B85)	$2,182 (B85)	$4,397
Missouri	$295 (FTA)	$1,563 (FTA)					$78 (FTA)			$662 (FTA)	$4,063
	$1,340 (NHS)	$787 (NHS)									
Nebraska										$701 (RTP)	$701
Nevada							$380 (NHS)	$1,082 (NHS)	$873 (ISM)	$1,087 (NHS)	$3,422
New Jersey		$1,000 (FTA)	$1,000 (FTA)		$1,000 (FTA)	$1,850 (FTA)	$1,000 (FTA)	$1,000 (FTA)	$1,000 (FTA)		$15,397
									$7,547 (B85)		
New York		$980 (FTA)				$2,000 (FTA)	$2,000 (FTA)	$3,489 (FTA)			$8,469
North Carolina								$1,700 (NHS)			$1,700
Ohio	$196 (FTA)		$185 (FTA)	$326 (FTA)	$31,809 (FTA)					$600 (FTA)	$33,115
Oregon								$625 (RTP)	$1,636 (NHS)	$1,249 (NHS)	$3,510
Pennsylvania			$640 (FTA)	$40 (FTA)		$1,422 (FTA)					$2,102
Rhode Island		$89 (FTA)									$89
South Carolina									$8,400 (B85)		$8,400
Tennessee	$791 (RTP)	$226 (RTP)				$100 (RTP)	$278 (RTP)				$1,394
Texas	$2,752 (FTA)		$1,805 (FTA)	$180 (NHS)				$24,884 (NHS)		$3,921 (FTA)	$39,238
			$5,697 (NHS)								
Vermont		$311 (FTA)									$311
Virginia	$6,351 (NHS)					$10,428 (NHS)	$2,035 (NHS)	$160 (FTA)			$18,974
Washington	$1,232 (FTA)				$1,044 (FTA)	$1,465 (FTA)	$1,038 (FTA)	$3,500 (FTA)		$2,568 (FTA)	$10,847
Wisconsin						$34 (FTA)			$28 (FTA)		$62
Subtotals											
to FTA	$7,764	$12,150	$8,219	$4,518	$36,321	$17,359	$5,996	$9,410	$3,481	$9,961	$115,179
to NHS	$7,691	$787	$5,697	$180		$10,428	$12,087	$47,691	$3,848	$10,563	$98,972
to Rec Trails	$791	$226				$100	$278	$625	$284	$701	$3,004
to ISM									$2,556		$2,556
to Bridge 85%									$18,162	$2,182	$20,344
Total	**$16,245**	**$13,163**	**$13,916**	**$4,698**	**$36,321**	**$27,886**	**$18,360**	**$57,727**	**$28,332**	**$23,407**	**$240,055**

Table 7: Yearly Rescissions from TE by state (in thousands of dollars)

*This percentage shows the proportion of the rescission taken from TE over the total rescission taken from the state in the given fiscal year. When a cell is blank, the state did not rescind any TE funds in that fiscal year, and the funds required to be returned to FHWA must have been rescinded from other Federal-aid programs. If the percentage column shows 100%, the entire rescission for that year was taken from TE. The first row of the table shows the size of the TE Program nationally relative to the Federal-aid Highway Program as a whole, for reference. This table shows that in 2002 and 2009, FHWA required rescissions to be proportionately administered among all Federal-aid programs, and so the statistic shown in the percentage columns for those years is roughly equivalent to the size of the TE program relative to the Federal-aid Highway Program as a whole in that fiscal year.

State	2002	%	2003	%	2004	%	2005	%	2006	%	2007	%	2008	%	2009	%	2010	%	2011	%	Total
Alabama	$189	3%					$8,102	35%	$13,186	18%	$25,225	31%	$2,195	4%	$15,048	6%	$5,994	16%	$8,910	22%	$78,848
Alaska	$94	3%					$728	7%	$3,001	10%	$6,220	18%	$738	2%	$4,886	4%	$203	1%	$10,196	27%	$26,066
Arizona	$178	3%											$2,138	3%	$4,990	2%	$15,000	33%			$22,306
Arkansas	$132	3%			$61	2%	$7,000	45%	$14,245	29%			$1,416	4%	$19,701	13%	$15,056	54%	$4,998	15%	$62,609
California	$848	3%							$23,862	7%	$9,675	2%	$9,448	3%	$150,193	14%	$88,115	43%			$282,141
Colorado	$134	3%							$9,414	18%		0%	$1,494	3%	$24,036	15%	$6,121	20%	$2,375	7%	$43,574
Connecticut	$103	2%	$3,410	100%	$2,810	100%	$7,144	42%	$9,967	18%	$5,000	8%	$1,121	2%	$9,778	6%	$6,940	22%	$7,229	21%	$53,502
Delaware	$45	3%									$257	1%	$410	3%	$1,220	3%	$38	0%	$29	0%	$2,000
Dist. Of Col.	$39	3%							$5,655	31%	$2,281	12%	$365	3%	$6,668	14%			$2,958	28%	$17,966
Florida	$496	3%	$838	7%					$10,809	6%	$27,327	13%	$6,207	4%	$60,683	10%	$24,700	22%	$4,163	3%	$135,224
Georgia	$369	3%									$5,682	4%	$3,873	3%	$59,018	14%	$34,009	45%	$39,584	48%	$142,533
Hawaii	$46	3%							$3,067	17%	$1,500	8%	$469	3%	$5,097	9%	$261	2%	$700	5%	$11,141
Idaho	$63	3%							$13,857	50%	$971	3%	$696	3%	$5,818	6%	$7,532	44%	$6,023	32%	$34,960
Illinois	$313	3%					$4,426	10%	$14,168	11%	$6,784	5%	$3,621	3%	$36,153	9%			$11,279	12%	$76,744
Indiana	$245	3%							$83	0%	$6,016	5%	$2,865	3%	$15,147	5%					$24,356
Iowa	$120	3%							$4,218	9%			$1,148	3%	$3,656	3%			$7,775	25%	$16,916
Kansas	$131	3%									$4,000	8%			$2,847	2%	$629	3%	$5,131	22%	$12,738
Kentucky	$154	3%	$257	6%									$1,473	3%	$10,719	5%	$6,000	16%	$9,715	23%	$28,318
Louisiana	$141	3%							$17,630	28%	$401	1%	$1,320	3%	$45,215	24%	$5,000	13%	$2,685	6%	$72,393
Maine	$48	3%	$1,376	100%	$1,151	100%					$5,689	28%	$435	3%	$1,178	2%					$9,877
Maryland	$142	3%											$1,560	3%	$12,357	6%	$959	3%	$3,019	8%	$18,036
Massachusetts	$146	2%									$25,228	32%	$1,511	3%	$6,902	3%	$7,914	21%	$10,000	24%	$51,701
Michigan	$341	3%							$12,750	11%	$7,000	5%	$3,400	4%	$46,488	13%	$20,000	34%	$10,379	16%	$100,358
Minnesota	$172	4%									$6,052	9%	$2,132	4%	$19,200	11%	$23	0%	$2,317	6%	$29,896

Table 7 (continued): Yearly Rescissions from TE (in thousands of dollars)

State	2002	%	2003	%	2004	%	2005	%	2006	%	2007	%	2008	%	2009	%	2010	%	2011	%	Total
Mississippi	$130	3%					$2,016	13%					$1,349	4%	$11,133	8%	$955	4%			$15,584
Missouri	$217	3%					$833	3%	$2,701	3%	$2,692	3%	$2,247	3%	$18,524	7%	$1,247	2%	$1,424	2%	$29,885
Montana	$71	2%											$742	2%	$1,738	1%	$5,000	22%	$10,000	37%	$17,551
Nebraska	$84	3%					$6,735	63%	$8,004	26%	$1,000	3%	$539	2%	$6,107	7%	$16,061	100%	$8,000	43%	$46,530
Nevada	$66	3%							$3,000	12%	$6,803	22%	$741	3%	$11,204	17%	$10,954	62%	$5,069	21%	$37,837
New Hampshire	$46	3%											$492	3%	$5,181	9%			$300	3%	$6,019
New Jersey	$192	2%							$10,659	10%	$11,751	10%	$2,260	3%	$24,658	8%	$6,842	11%	$3,220	5%	$59,582
New Mexico	$83	3%					$3,230	28%	$11,992	32%	$7,840	19%	$834	3%	$2,895	3%	$5,161	24%	$1,885	8%	$33,920
New York	$347	2%											$3,667	2%	$59,403	11%	$20,484	20%	$15,813	14%	$99,714
North Carolina	$274	3%	$1,352	20%					$13,531	13%	$13,536	11%	$2,995	3%	$36,526	11%	$19,484	32%	$12,746	19%	$100,446
North Dakota	$56	3%							$2,280	9%	$7,000	25%	$553	3%	$1,838	2%	$4,102	30%	$4,181	26%	$20,010
Ohio	$317	3%			$6,898	100%			$32,000	23%	$276	0%	$3,641	3%	$8,504	2%	$10,000	13%	$10,000	12%	$71,636
Oklahoma	$163	3%	$4,248	100%	$3,543	100%			$9,000	14%	$8,000	12%	$1,841	4%	$22,909	12%	$8,000	24%	$28,907	71%	$86,611
Oregon	$115	3%							$32,646	69%			$1,042	3%	$6,940	5%	$10,056	40%	$70	0%	$50,869
Pennsylvania	$314	2%									$918	0%	$3,227	2%	$8,909	2%	$6,710	7%	$20,992	20%	$41,070
Rhode Island	$46	2%											$372	2%	$1,269	2%	$409	4%	$687	5%	$2,784
South Carolina	$176	3%											$1,953	4%	$57,938	29%			$8,466	22%	$68,533
South Dakota	$63	3%	$1,772	100%	$1,445	100%	$8,450	100%	$14,963	57%			$664	3%	$6,741	9%	$6,377	43%	$9,169	51%	$49,642
Tennessee	$208	3%	$161	3%	$133	3%	$913	4%	$3,187	4%	$3,724	4%	$2,138	3%	$23,618	9%	$21,751	47%	$10,800	21%	$66,631
Texas	$821	3%			$5,340	33%	$3,755	4%	$222,951	73%	$114	0%	$8,767	3%	$36,669	4%	$150,000	79%			$428,419
Utah	$69	3%					$1,504	14%	$5,400	19%			$710	3%					$5,274	25%	$12,957
Vermont	$44	3%											$365	3%	$1,357	3%			$1,571	13%	$3,337
Virginia	$257	3%							$4,075	4%	$6,219	5%	$2,556	3%	$18,499	6%	$1,837	3%	$2,046	3%	$35,489
Washington	$166	3%							$9,434	13%	$1,795	2%	$1,573	3%	$15,509	8%	$13,000	35%			$41,476
West Virginia	$71	3%									$764	2%	$770	3%	$3,643	3%	$1,000	4%	$500	2%	$6,748
Wisconsin	$215	3%	$4,803	100%					$60,027	82%	$28,834	34%	$2,390	4%	$35,289	15%	$16,000	38%	$14,183	31%	$161,741
Wyoming	$43	2%													$923	1%			$8	0%	$974
Total	$9,346	3%	$18,218	7%	$21,381	10%	$54,836	4%	$601,763	16%	$246,574	6%	$98,461	3%	$994,922	8%	$579,924	26%	$324,775	13%	$2,950,199
TE as a % of Federal-aid		**2%**		**2%**		**3%**		**3%**		**3%**		**2%**		**2%**		**2%**		**2%**		**2%**	

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The National Transportation Enhancements Clearinghouse (NTEC) is funded in equal parts by Rails-to-Trails Conservancy and the Federal Highway Administration and exists to increase knowledge of the Transportation Enhancements program. NTEC provides free services to professionals, policy makers, agencies, the media, and the public.

Available Resources and Expertise:

- Website with project examples, searchable project database, contact information for TE professionals in each state, and downloadable documents: www.enhancements.org.
- State Transportation Enhancement Program Profiles outlining project nomination, selection, and funding procedures for each state.
- Photo Library providing high resolution images of TE projects from around the nation with background on the specific project and its location.
- Documents (including this report), guidebooks, reports, and manuals related to Transportation Enhancements in PDF and/or print format, all free of charge. Documents include:
    - **Enhancing America's Communities: A Guide to TE**
      This 40-page brochure covers the history of the TE program, how TE funds are dis tributed, and the project development process. It also provides fifteen case studies of outstanding TE projects across the country.
    - **Communities Benefit! The Economic and Social Benefits of Transportation Enhancements**
      This full-color pamphlet showcases ten outstanding Transportation Enhancement projects from around the country, highlighting economic and social impacts on local communities.
    - **FHWA Guidance on Transportation Enhancements**
      This technical document guides states in the proper implementation of the TE program, and includes information on eligibility, environmental review, real estate acquisition, and more. NTEC staff can also provide answers to specific questions concerning the Guidance. The document includes ten previous FHWA Guidance Memoranda that remain valid as appendices.
    - **Financing Federal-Aid Highways**
      This technical report follows the financial process from inception in an authorization act to payment from the Highway Trust Fund (HTF), and includes discussion of the congressional and Federal agency actions that occur throughout.

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