TrADE

Transportation Alternatives Spending Report

Fiscal Years 1992–2021

August 2022

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August 2022
Prepared by Transportation Alternatives Data Exchange

This report supersedes all previously published editions.

About TrADE

The Transportation Alternatives Data Exchange (TrADE) is operated by Rails-to-Trails Conservancy. TrADE helps stakeholders at the federal, state and local levels understand and make effective use of the Transportation Alternatives Set-Aside (TASA) program. TASA provides funding from the federal government for projects that expand travel choice, strengthen the local economy, improve quality of life and protect the environment. Eligible projects include most activities historically funded as "Transportation Enhancements," the Recreational Trails Program and the Safe Routes to School program. TrADE provides transparency, promotes best practices, and provides citizens, professionals and policymakers with information and access to funding data.

From 1996 to 2013, TrADE operated as the National Transportation Enhancements Clearinghouse, as a partnership between Rails-to-Trails Conservancy and the Federal Highway Administration (FHWA).

For more information, visit trade.railstotrails.org.

Acknowledgments

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Data for this report come from FHWA's Financial Management Information System (FMIS) and from state department of transportation (DOT) staff. This report utilizes early data from FMIS and may differ slightly from final federal reports. This publication would not be possible without the contributions of staff from state DOTs. Their voluntary participation has been essential to the success of the data exchange in creating openness and transparency and promoting best practices.

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Table of Contents

EXECUTIVE SUMMARY 1

INTRODUCTION 2

- Transportation Alternatives: From ISTEA to BIL 2
- Spending Analysis 4
- Lessons From FY 2021 5
- Reflecting on 30 Years 5

FAST ACT REVIEW 6

- FAST Act Preserves Core Funding for Transportation Alternatives 6
- Features of TASA 8

THE TRANSPORTATION ALTERNATIVES ELIGIBILITIES 9

UPDATING THE TrADE DATABASE 12

SPENDING ANALYSIS 13

- Apportionments 14
- Obligations 15
- Obligation Rates by Fiscal Year 15
- Recent Trends in Obligation 16
- TA Obligations by Area 18
- Reimbursements 18

FUNDING LOSSES 22

- Contract Authority 22
- Transfers 22
- Lapsing 23
- Rescissions 23
- Metropolitan Planning Organization Uses of TASA Funds 25

PROGRAM ANALYSIS 27

- The Project List 27
- Findings by Eligibility 27
- Bicycle and Pedestrian Project Subtypes 29
- Future Programming 30
- Average Federal Awards and Match Rates 30
- Programming Analysis Caveats 32

CONCLUSION 33

- Obligations 33
- Transfers, Lapsing and Rescissions 33
- Looking Ahead 34

NOTES 35

List of Tables and Figures

Figure 1: Transportation Alternatives (TA) Funding Unmet Demand 2
Figure 2: Cumulative TE/TAP/TASA Financial Summary, FYs 1992–2021 4
Figure 3: TE/TAP/TASA Financial Summary, FY 2021 5
Figure 4: Distribution of FAST Act Transportation Alternatives (TA) Set-Aside Funds Within States 7
Figure 5: State Data Collection Provided to TrADE, FY 2021 12
Figure 6: Apportionment, Obligation, Transfers and Rescissions by Year, FYs 2011–2021 13
Figure 7: TE/TAP/TASA Apportionments by Year, FYs 1992–2021 14
Figure 8: TE/TAP/TASA Funding Obligated by Year, FYs 1992–2021 15
Table 1: Unobligated Funds as of FY 2021 17
Table 2: TA Obligations by Large Urbanized Area Suballocation, FY 2021 19
Table 3: TA Obligations by Large Urbanized Area Suballocation and State Allocation, FY 2021 20
Table 4: State TE/TAP/TASA Program Benchmarks, FYs 1992–2021 21
Table 5: Inter-Agency Transfers of TE/TAP/TASA, FY 2021 25
Table 6: Inter-Program Transfers of TE/TAP/TASA, FY 2021 26
Figure 9: Distribution of Federal Funding by TE/TAP/TASA Eligibility Grouping, FYs 1992–2021 27
Figure 10: Distribution of Federal Funding by TA Activity, FYs 2014–2021 28
Figure 11: Distribution of Funding Across Projects With Designated Bike and Pedestrian Subtypes, FYs 1992–2021 29
Table 7: Cumulative Programmed Federal Awards and Matching Funds, FYs 1992–2021 31

EXECUTIVE SUMMARY

Example of TA-eligible pedestrian and bicycle facilities

The Transportation Alternatives Set-Aside (TASA) is the largest dedicated source of funding for trails, walking and biking in the United States. Since 1991, this program, formerly known as Transportation Enhancements (TE), has transformed the landscape of the country. Under the program, states have been able to make critical investments in building safe places to walk and bike. In part due to this dedicated funding, the United States now boasts more than 40,000 miles of multiuse trails, with communities reaping the long-known benefits. Trail networks connect people to each other, create economic vitality and promote healthy outdoor mobility—saving money and decreasing roadway congestion while reducing pollution and health care costs.[1]

Since the inception of dedicated Transportation Alternative (TA) programs, Rails-to-Trails Conservancy (RTC) has monitored how these funds have been invested and the projects that have been built. This annual Transportation Alternatives Spending Report is an important tool for advocates, states and the active transportation movement at large to understand and strengthen the program, thus improving the efficiency and impact of the investments made.

The 2020 report found that 95% of TASA funds obligated to projects in the last seven years were used to fund trails, walking and biking. However, the national pipeline of potential projects needed to create connected active-transportation networks far exceeds the current level of funding and rate of obligation.

- A total of $459 million was obligated to TA projects in fiscal year (FY) 2021, in contrast to $4.4 billion in TA application requests in FY 2020.
- Approximately 16% of the total FY 2021 TA apportionment, or $126 million, was lost through transfers, largely to the Surface Transportation Program/Surface Transportation Block Grant program (STP/STBG), a trend that began under the Moving Ahead for Progress in the 21st Century Act (MAP-21) and continued under the Fixing America's Surface Transportation (FAST) Act.
- Obligation rates decreased to 60% of apportioned funds, or $459 million, down from $546 million the prior year.
- Approximately 78% ($599 million) of TE/TA/TASA funds was reimbursed, marking the completion of projects and return of up-front funds to local pockets.

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INTRODUCTION

Transportation Alternatives: From ISTEA to BIL

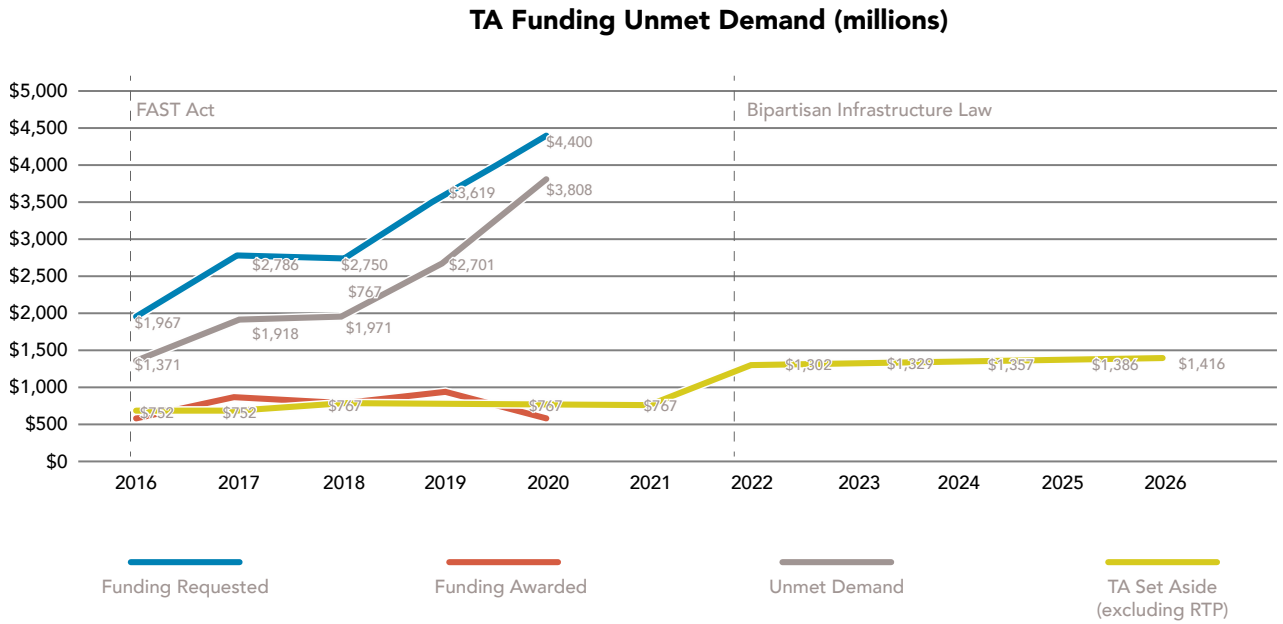
Transportation Enhancements (TE), the predecessor to Transportation Alternatives (TA), became the first dedicated source of funding for walking and biking, but cuts and increased flexibility in successive programs have put this vital source of funding at risk.

When Congress passed the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), the legislation brought together roads, railroads, transit and other modes of transportation—including walking and biking—under one umbrella. Under ISTEA, Congress ensured that funding would be available for bicycle and pedestrian transportation and for the preservation and enhancement of many of the nation's scenic and historic assets. In addition, ISTEA addresses and protects environmental systems that are inextricably linked with America's transportation infrastructure. Using federal data, estimates indicate that from 1973 to 1991, a total of $40.7 million was spent on individual walking and biking projects that were not incidental to rebuilding a roadway. One year after ISTEA and the establishment of TE, $93.9 million was spent on the same types of projects.

Two decades and three reauthorizations after ISTEA was introduced, the Moving Ahead for Progress in the 21st Century Act (MAP-21) was signed into law with legislative language that recast many of the TE activities as TA and consolidated the Safe Routes to School (SRTS) program and the Recreational Trails Program (RTP) to create the Transportation Alternatives Program (TAP). MAP-21 also increased the amount of funds states were able to transfer to uses outside the scope of TEs, then renamed TAs. This detrimental development was further solidified by the Fixing America's Surface Transportation Act of 2015 (FAST Act) legislation, which continued to allow states to transfer up to 50% of their TA funding available for use across the state to other Federal-Aid Highway Program (FAHP) projects, and which doubled the percentage of transfers allowed under the preceding bills.

Since this policy change, states have transferred a cumulative $1.6 billion, or about one-third of the apportioned funds, out of TA via interprogram transfers in just seven years. Comparatively, only $192 million was transferred over the previous two decades, fiscal years (FYs) 1992 to 2012. The bulk of this funding was transferred to the Surface Transportation Program/Surface Transportation Block Grant (STP/STBG) program and the Highway Safety Improvement Program (HSIP) to support on-road construction of roads, bridges and highways.

Figure 1: Transportation Alternatives (TA) Funding Unmet Demand



With states no longer under immediate threat of losing U.S. Department of Transportation funds to rescissions, FY 2021 also saw a decrease in the obligation rate of TA funds, from 71% in the prior fiscal year to 60%.

While states continue to leave money on the table through low obligation rates or to transfer money out of the program entirely, demand for TA funds has never been higher. Demand for TA funds grew 124% between FY 2016 and FY 2020; only 24% of this demand was met during this same timeframe.

Following six years of FAST Act implementation, the Bipartisan Infrastructure Law (BIL) provides states with a nearly 70% increase to TA on average over the next five years and a new opportunity to help meet the unprecedented demand for trails, and other walking and biking infrastructure.

The BIL also limits transferability out of TA, allows states to use up to 5% of their TA funds for technical assistance programs, and provides states with flexibility to average match requirements across the state, as opposed to requiring each project to meet the 20% federal match requirement. These changes to TA could be vital to creating and completing active transportation networks and ensuring equity in funding and development of TA projects.

TA represents the single largest federal investment in trails, walking and biking and is among the smallest line items in surface transportation spending. These funds are critical to the creation of active transportation infrastructure, such as trails, that safely connects people to each other, creates economic vitality and promotes health and outdoor mobility. In light of high transfers and low obligation rates in recent years of the FAST Act, the program innovations and increased TA funds in the BIL allow states to increase their investments in trails and other walking and biking infrastructure, in turn creating outsized economic benefits for communities.

This report documents TA funding, focusing on FY 2021, while also analyzing trends over the past 30 years and providing an overview of future funding opportunities. In addition, historical TE and TAP funds remain available for obligation, and this report documents the use of those funds as well.

Data in this report were obtained from the Federal Highway Administration's (FHWA's) Financial Management Information System (FMIS) and the Transportation Alternatives Data Exchange (TrADE) project database, developed through nearly 30 years of direct interaction with staff and data systems at individual state transportation agencies. This report provides insight into how TE, TAP and Transportation Alternatives Set-Aside (TASA) funds are being used at the national and state levels. This report and technical assistance provided by TrADE serve as tools for TA program managers, advocates and policymakers to support and promote the efficient use of these funds for trails, walking and biking, while increasing the understanding of how federal funding shapes America's transportation system and its communities.

Common Acronyms Used in This Report

ARRA: American Recovery and Reinvestment Act

BIL: Bipartisan Infrastructure Law

CMAQ: Congestion Mitigation and Air Quality

DOT: Department of Transportation

FAST Act: Fixing America's Surface Transportation Act of 2015

FHWA: Federal Highway Administration

FMIS: Financial Management Information System

FY: Fiscal Year

ISTEA: Intermodal Surface Transportation Efficiency Act of 1991

MAP-21: Moving Ahead for Progress in the 21st Century Act of 2012

MPO: Metropolitan Planning Organization

RTP: Recreational Trails Program

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

SRTS: Safe Routes to School

STBG: Surface Transportation Block Grant

STP: Surface Transportation Program

TA: Transportation Alternatives

TAP: Transportation Alternatives Program

TASA: Transportation Alternatives Set-Aside

TE: Transportation Enhancements

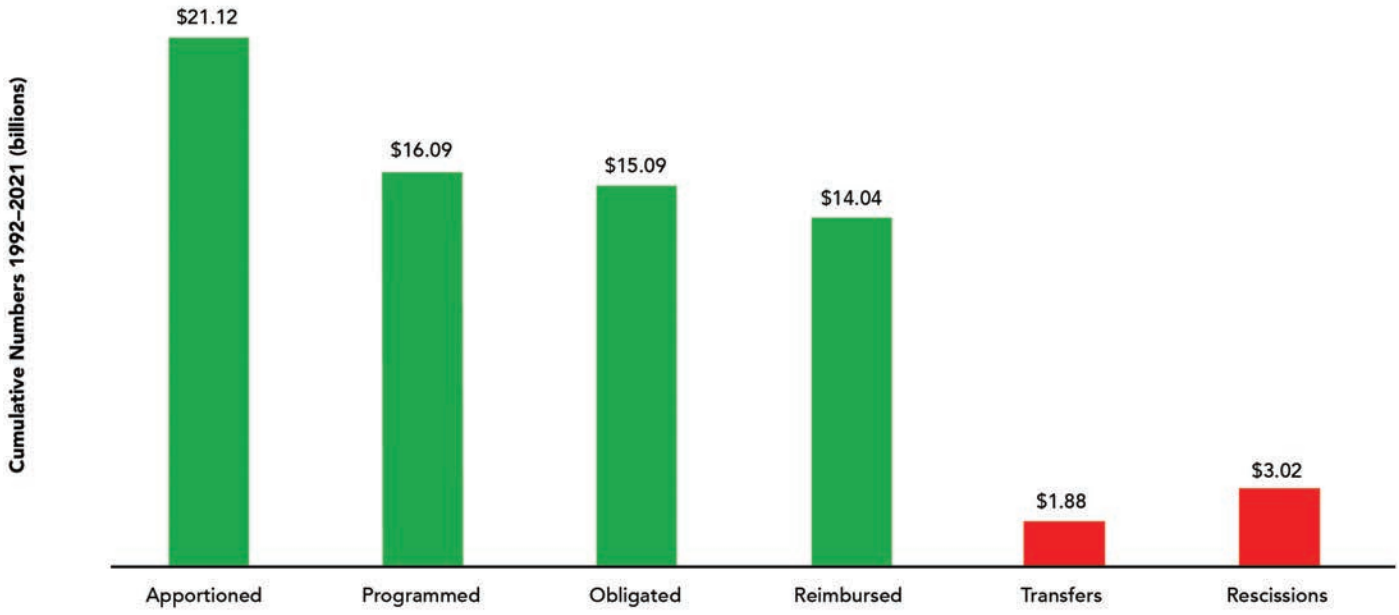
USDOT: U.S. Department of Transportation

Spending Analysis

From FY 1992 through FY 2021, Congress apportioned $21.12 billion to the states for TE, TAP and TASA projects, as shown in Figure 2. During that time, approximately $1.8 billion was lost to transfers and another $3.02 billion was lost to rescissions. The TrADE national project database shows that state departments of transportation (DOTs) have programmed a cumulative total of 40,171 TE/TAP/TASA projects from FY 1992 through FY 2021. (This does not include canceled projects or projects with no federal money.) A financial summary for FY 2021 follows in Figure 3.

The federal-aid project funding cycle is successfully completed when federal dollars are dispersed to the project sponsor. Both the obligation and reimbursement rates are key performance measures for project implementation. The cumulative obligation rate for TE/TAP/TASA (FY 1992 to FY 2021) is 71%. The cumulative reimbursement rate for TE/TAP/TASA (FY 1992 to FY 2021) is 66%.

Figure 2: Cumulative TE/TAP/TASA Financial Summary, FYs 1992–2021



Lessons From FY 2021

The FAST Act, in its sixth and final year since implementation began in FY 2016, continues to see states using available remaining TAP funds from previous funding bills while concurrently using available TASA funds. Few TE funds from bills prior to the introduction of the Moving Ahead for Progress in the 21st Century Act (MAP-21) in 2013 were provided for obligations and reimbursements, as they continue to be phased out.

Obligation rates in FY 2021 were lower than in the two prior years, while reimbursement rates grew. This decrease may be the result of unusually high obligation rates in FY 2019, as states spent down TA funds ahead of a planned rescission that would have resulted in a significant loss of funds had the rescission not ultimately been repealed. While states may have underspent in the following years, the reimbursement rate remained high as projects were completed.

At the same time, in FY 2021, states transferred $126 million in TAP/TASA program funds to the STP/STBG and HSIP (see Table 6 for more details)—which was about 16% of all funds apportioned. This is compared to $192 million transferred out of TE in the first two decades of the program. With the FAST Act expiring at the end of FY 2021, policymakers could ensure future programs streamline TA funding.

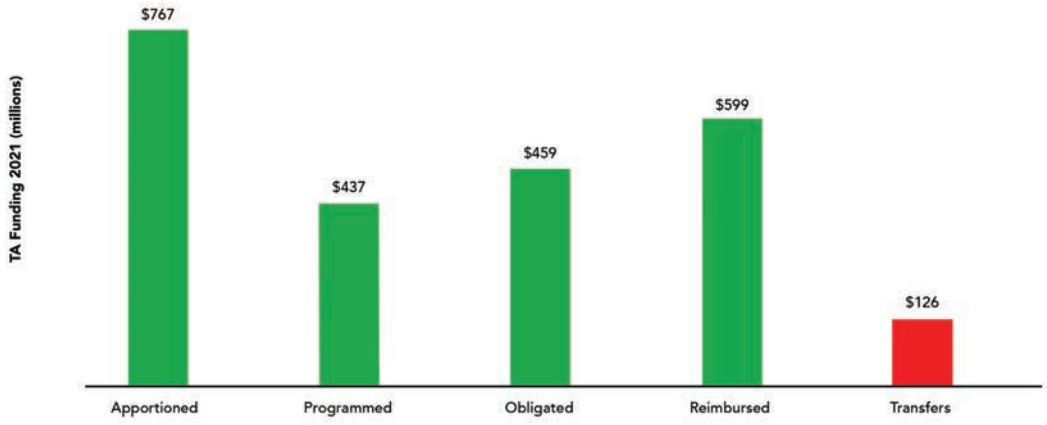
Reflecting on 30 Years

Over the last 30 years, a sizable portion of funding for walking, biking and other transportation enhancements and alternatives has been misdirected through transfers and states allowing funds to lapse. The vast majority of misdirected funding has occurred in the last seven years due to a broadened transferability policy that began under MAP-21 and continues under the FAST Act, but not under the BIL.

After nearly a decade of high transfers, the BIL contains new policy changes to limit the use of TA funds outside the authorizing legislation's original intentions, requiring states to conduct a competitive process before transferring funds. To maintain funding and to continue prioritizing active transportation improvements, states will need to continue obligating funds at increased levels.

Fiscal year 2021 represents the 30th year of funding apportioned to the TE/TAP/TASA program. In that time, the program has obligated more than $15 billion for over 40,000 projects across the country to create infrastructure for walking and biking, preserve historic transportation assets, protect environmental assets and more. In light of the COVID-19 pandemic and its aftermath, communities are pursuing the transformative power of these investments now more than ever: Demand for safer streets for all users, more protected bicycle lanes, more multiuse pathways and trails, streetscaping that invites foot traffic and livelier main streets has reached new highs, with more than $15.5 billion requested during the initial five years of the FAST Act in contrast to the $3.8 billion apportioned in that same time period.

Figure 3: TE/TAP/TASA Financial Summary, FY 2021



FAST ACT REVIEW

The Fixing America's Surface Transportation (FAST) Act, signed into law in December 2015, was the first long-term transportation funding bill in more than a decade, covering fiscal years (FYs) 2016–2021 as a five-year bill with a one-year extension through FY 2021.

The bill authorized $835 million annually to the Transportation Alternatives Set-Aside (TASA) for the two years of the FAST Act authorization (FYs 2016–2017), $850 million for each of the remaining three years (FYs 2018–2020) and an additional extension for FY 2021 for $850 million, with $85 million of those figures reserved for the Recreational Trails Program (RTP) per year.

The FAST Act sunsetted in September 2021 and gave way to the Bipartisan Infrastructure Law (BIL). The BIL continues TASA with a 70% average funding increase over the life cycle of the bill and critical policy changes beginning in FY 2022.

FAST Act Preserves Core Funding for Transportation Alternatives

Under the FAST Act, TASA includes all projects and activities that were previously eligible for funding under the Transportation Alternatives Program (TAP). The move to Transportation Alternatives (TA) through the Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21) consolidated several long-standing programs, including RTP as a set-aside, Safe Routes to School (SRTS) and Transportation Enhancements (TE).

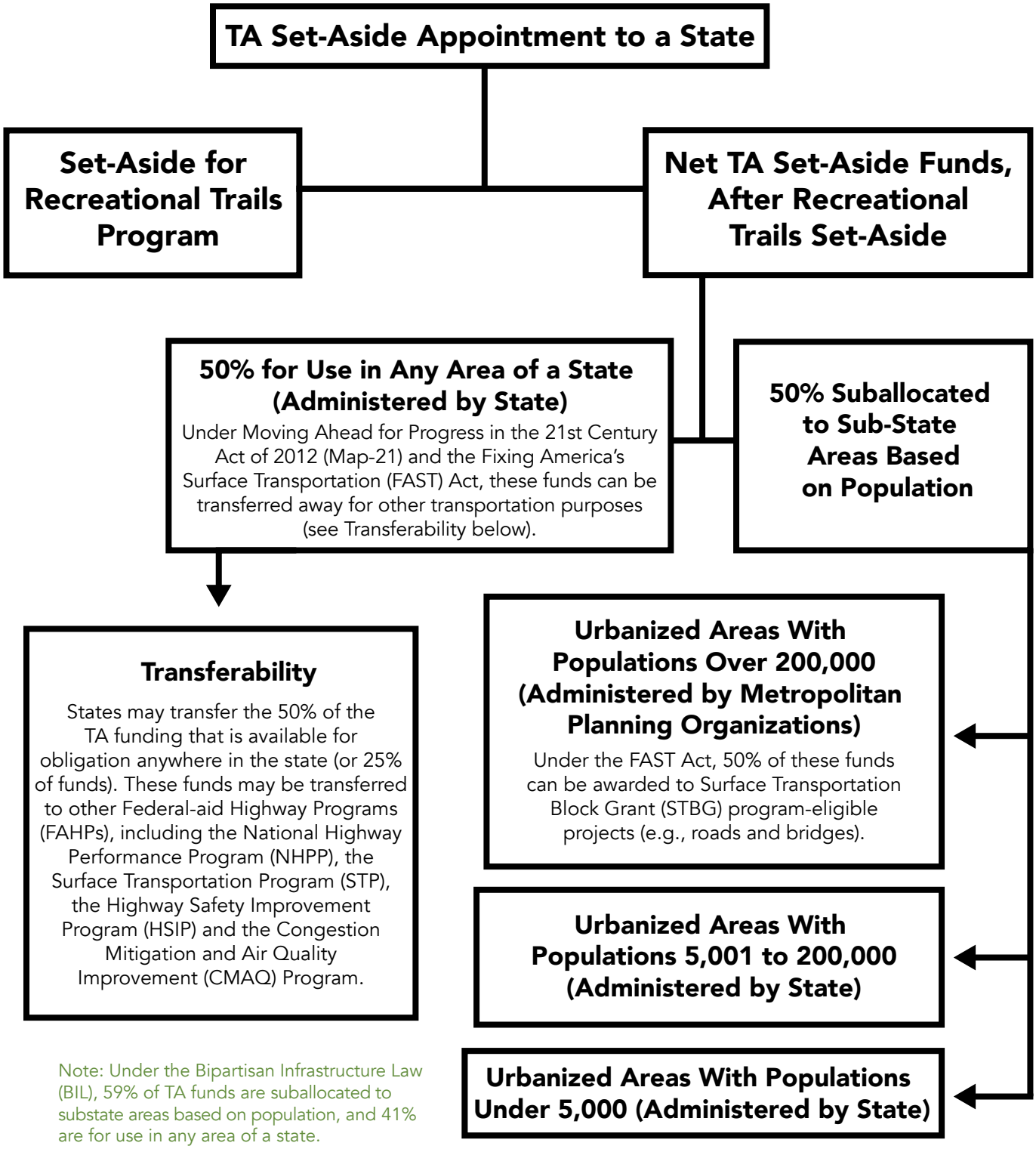
The FAST Act also preserved the way funding is distributed within states, as shown in Figure 4, which was developed under MAP-21. Funds for the RTP set-aside are allocated first.[2] From the remaining funds, half of TASA funding is then suballocated to areas based upon their relative share of a state's total population. This share of a state's funding must be split proportionally based on population size. The remaining 50% can be obligated anywhere in a state by its department of transportation (DOT). Funding for populations of more than 200,000 is distributed through metropolitan planning organizations (MPOs), giving large urban areas increased autonomy over funding to support regional transportation plans. Under the BIL, the suballocation based on population size will increase to 59% of TASA funds, up from 50%, and further breaks out population areas of 5,001 to 200,000 into two suballocations: areas of 5,001 to 50,000, and areas with a population of 50,001 to 200,000. Population areas of 5,000 or fewer or more than 200,000 will continue to receive TASA suballocations.

For urbanized areas with populations of more than 200,000, the MPO is responsible for project selection and administration in conjunction with the state DOT.

TASA funds must be distributed through a competitive process. No more than 80% of the eligible project costs can be reimbursed by the federal government; the remaining 20% of the project costs must be covered by matching funds at the state or local level. Funds from RTP are able to be used to match other federal funds in place of, or as part of, the state or local match. Western states with a high proportion of federal public lands may have match rates that are adjusted.

Several states, including Pennsylvania, have utilized toll credits or other state funding sources to provide the match for all communities. However, in other states, underfunded communities have struggled to meet the match requirements.

Figure 4: Distribution of FAST Act Transportation Alternatives (TA) Set-Aside Funds Within States



Note: Under the Bipartisan Infrastructure Law (BIL), 59% of TA funds are suballocated to substate areas based on population, and 41% are for use in any area of a state.

Features of TASA

The FAST Act largely continued the provisions of MAP-21 related to TA, though the bill contained a few noteworthy updates to eligible activities and required reporting.

Eligible Activities: Under the FAST Act, the projects and activities eligible for funding are the same as those allowed under TAP, with two exceptions:

- An urbanized area with a population of more than 200,000 is allowed to use up to 50% of its suballocated TASA funds for any project or activity eligible under the broader Surface Transportation Block Grant (STBG) program (roads, bridges, etc.). The requirement for a competitive selection process still applies.
- TAP's "Flexibility of Excess Reserved Funding" provision, allowing the use of excess funds for any project or activity eligible under TAP or the Congestion Mitigation and Air Quality Improvement (CMAQ) program, was eliminated.

Reporting: Under the FAST Act, state DOTs and MPOs are now required to report annually to the U.S. Department of Transportation (USDOT) on TASA project applications and awards, and USDOT is authorized to make these reports publicly available. There are significant distinctions between the data that the Federal Highway Administration (FHWA) collects and the Transportation Alternatives Data Exchange (TrADE) data:

- Rails-to-Trails Conservancy (RTC) collects data on TE, TAP and TASA projects for all years from FY 1992 to the present, providing a cumulative view of this type of funding since the TE program began under the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991. RTC also tracks the cost of individual projects, which are broken down by federal share and are matched and coded across 13 eligible categories. This assists in the overall purpose of the report to track implementation of the program.
- FHWA only collects information required under the FAST Act, beginning with funds apportioned for FY 2016.

The primary function of FHWA's data collection and reporting is to understand the overall demand for TA funds from year to year. State DOTs and MPOs provide data on the number and costs of projects submitted and selected for funding, broken down by county, for general TA project types (pedestrian and bicycle facilities, safe routes to school, recreational trails, etc.), not individual TA eligibilities.

In contrast, TrADE's data collection for its annual Spending Analysis Report provides a more detailed perspective on spending patterns of TE, TAP and TASA funds. **Because TrADE collects data from all three funding sources, the report provides a broader historical summary and long-term review of demand for funds.**

For more than two decades, state DOTs have contributed project-level data for the annual update, including information about project location and description, the federal contribution and match amounts. In addition, TrADE's data are unique in distinguishing between the various types of eligibility categories (e.g., conversion of abandoned railway corridors to trails, wildlife management, etc.), which provide valuable insights on the types of projects being implemented with TE, TAP and TASA funds and a better understanding of how states prioritize the various projects funded under the respective programs. The Spending Analysis Report communicates the high return on investment of TE, TAP and TASA funds used for walking, biking and other programs while encouraging a level of transparency that upholds a standard of accountability that is exemplary for all transportation programs.

The FAST Act largely continued the provisions of MAP-21 related to TA, though the bill contained a few noteworthy updates to eligible activities and required reporting.

THE TRANSPORTATION ALTERNATIVES ELIGIBILITIES

A Transportation Alternative (TA) is any activity related to surface transportation that fits one or more of these 10 categories. In addition, projects eligible under the Recreational Trails Program (RTP) and Safe Routes to School (SRTS) program qualify.[3]

Pedestrian and Bicycle Facilities: Providing 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

Safe Routes for Non-Drivers: Creating access and accommodation for children, older adults and individuals with disabilities

Conversion of Abandoned Railway Corridors to Trails: Acquisition of railroad rights-of-way; and planning, design and construction of multiuse trails and rail-with-trail projects

Scenic Turnouts and Overlooks: Construction of scenic turnouts, overlooks and viewing areas

Outdoor Advertising Management: Conducting billboard inventories and removing illegal and nonconforming billboards

Historic Preservation and Rehabilitation of Historic Transportation Facilities: Restoration of railroad depots, bus stations and lighthouses; rehabilitation of rail trestles, tunnels, bridges and canals; and more

Vegetation Management: Improving roadway safety; preventing invasive species; and providing erosion control

Archaeological Activities: Undertaking projects related to impacts from implementation of highway construction projects

Stormwater Mitigation: Addressing stormwater management with pollution prevention and abatement activities; and preventing water pollution related to highway construction or due to highway runoff

Wildlife Management: Reduction of vehicle-caused wildlife mortality; and restoration and maintenance of connectivity among terrestrial or aquatic habitats

Recreational Trails Program: Construction and maintenance of recreational trails, and trailside and trailhead facilities; acquisition of easements; assessment of trail conditions; producing publications and educational programs; and more

Safe Routes to School Program: Improving sidewalks, traffic calming and pedestrian and bicycle crossings; providing on-/off-street bicycle facilities; implementing traffic diversion improvements; creating secure bicycle parking facilities; and more

For more information visit **railstotrails.org/policy/trade/basics**

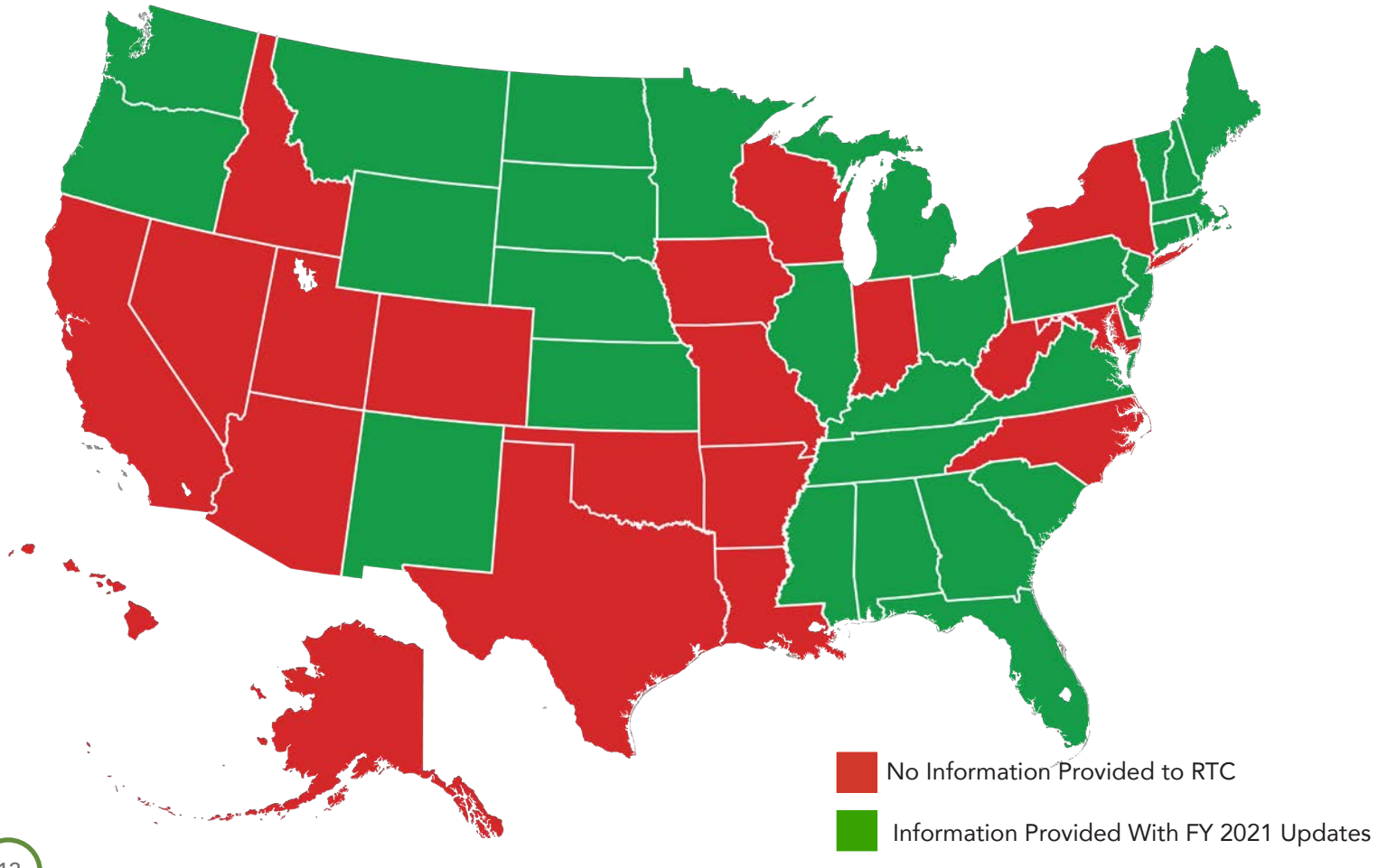
UPDATING THE TrADE DATABASE

This report uses data collected and maintained by the Transportation Alternatives Data Exchange (TrADE), previously known as the National Transportation Enhancements Clearinghouse (NTEC), at Rails-to-Trails Conservancy (RTC). Beginning in 1993, RTC developed a database of funded Transportation Enhancement (TE) projects by each state. As NTEC, this project listing was managed and updated annually from 1996 to 2013 under successive cooperative agreements with the Federal Highway Administration (FHWA). Data for this edition were collected between January and March 2022.

Data for this report come from FHWA's Financial Management Information System (FMIS) and state department of transportation (DOT) staff. FMIS provides the cumulative and fiscal year (FY) activity for funding available, obligated and reimbursed in every state. **This report utilizes early data from FMIS and may differ slightly from final federal reports**. States are required to report obligations and reimbursements through FMIS. Additionally, state DOTs provide TrADE with programming (selected/planned project) data, including project name, activity type, location and funding levels. This allows analysis of the distribution of funding by federal category and state match rates for federal funding. Though states are not contractually required to provide this information, their voluntary participation has been essential to the success of the data exchange in creating openness and transparency and promoting best practices.

The national list of programmed TE, Transportation Alternatives Program (TAP) and now Transportation Alternative Set-Aside (TASA) projects contains 40,171 projects selected from FY 1992 to FY 2021. The database also contains 334 programmed projects for future fiscal years (FY 2022 to FY 2027). Combined, the list contains a total of 40,505 projects. However, charts and tables in this report do not include future-year projects or projects that were not reported by state DOTs to TrADE. The national TE/TAP/TASA project list can be viewed online at **railstotrails.org/policy/trade/search/**. Because the TrADE database of projects is the only existing repository for information on TE, TAP and TASA projects nationwide, the participation of each state DOT is crucial for the accuracy and completeness of this information. During the most recent data collection, 37 states and the District of Columbia provided updated programming information, as shown in Figure 5.[4]

Figure 5: State Data Collection Provided to TrADE, FY 2021



SPENDING ANALYSIS

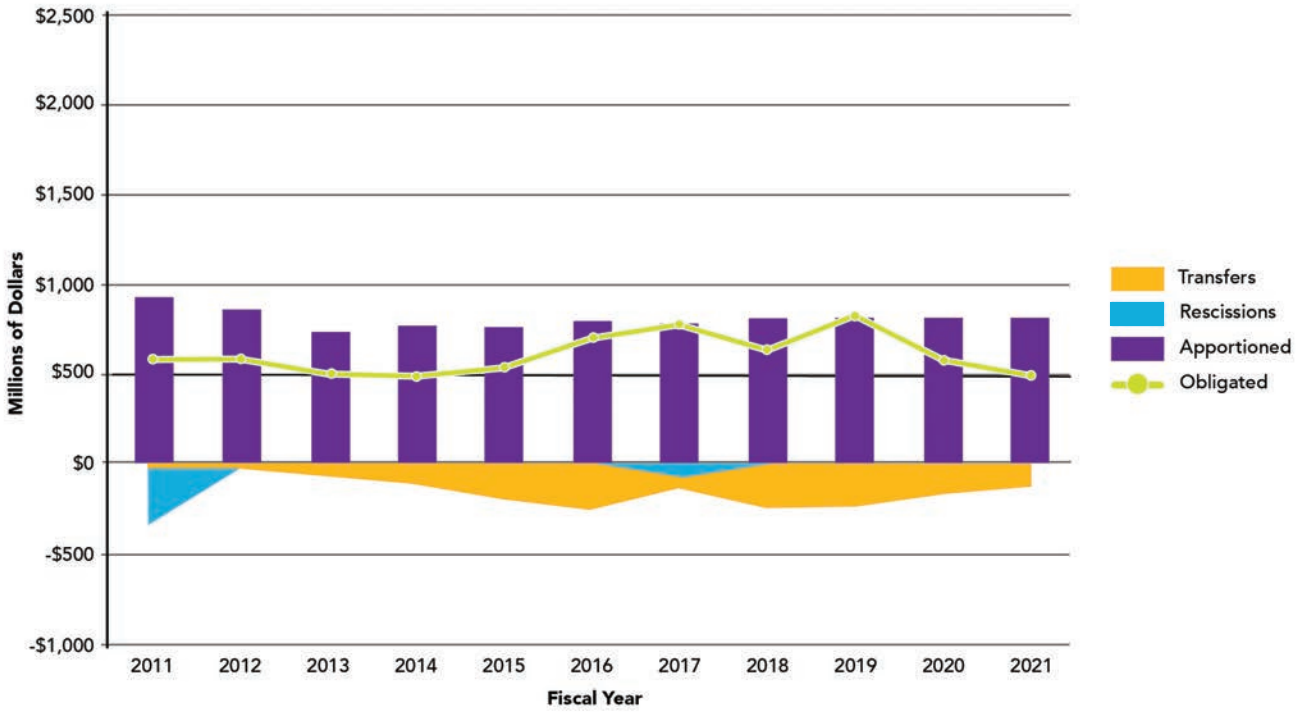
This chapter provides a summary of spending on Transportation Enhancements (TE), Transportation Alternatives Program (TAP) and Transportation Alternatives Set-Aside (TASA) funds from fiscal year (FY) 1992 through FY 2021. Federal funding for surface transportation follows a multistep process, and TASA is a reimbursement program in which the Federal Highway Administration (FHWA) compensates states for project costs as they are incurred. The key steps of this cycle are:

- **Apportionment:** FHWA apportions funds to each state, as determined by a formula in the federal legislation (e.g., the Fixing America's Surface Transportation [FAST] Act). With TASA, 50% is suballocated to areas within a state, based on population.
- **Programming:** State departments of transportation (DOTs) and metropolitan planning organizations (MPOs) select projects to receive funding. MPOs are able to program projects only in metropolitan areas with populations of 200,000 people or more.
- **Obligation:** FHWA commits to reimburse states for the federal share of the project cost (typically up to 80%).
- **Reimbursement:** FHWA reimburses states for work completed.

Funding amounts available may be reduced through rescissions, lapsing and transfers. Through federal legislation, a rescission cancels a specified amount of unobligated funds that have already been apportioned. Also, to an extent, federal law permits state DOTs to transfer funds from TASA to other agencies and transportation funding programs, though this will be limited in future years under the Bipartisan Infrastructure Law (BIL).[5] Lapsing applies to Moving Ahead for Progress in the 21st Century Act of 2012 (Map-21)-era funds, and these funds can "disappear" as though they never existed.

Funding levels at each phase of this cycle as well as reductions in funding serve as key benchmarks that provide an overview of TE/TAP/TASA—from the apportionment of funds through project reimbursement. Figure 6 shows a national overview of the funding amounts by phase from the last decade (FY 2011 through FY 2021).

Figure 6: Apportionment, Obligation, Transfers and Rescissions by Year, FYs 2011–2021



This chapter provides an analysis of spending on TE, TAP and TASA with a focus on apportionments, obligations and reimbursements. An in-depth discussion of rescissions, lapsing and transfers follows in the next chapter. The final chapter provides a detailed look at the programming of projects.

Apportionments

Apportionment is the first step of the funding process, where funds are distributed across the country. From FY 1992 through FY 2021, TE, TAP and TASA apportionments included the following:

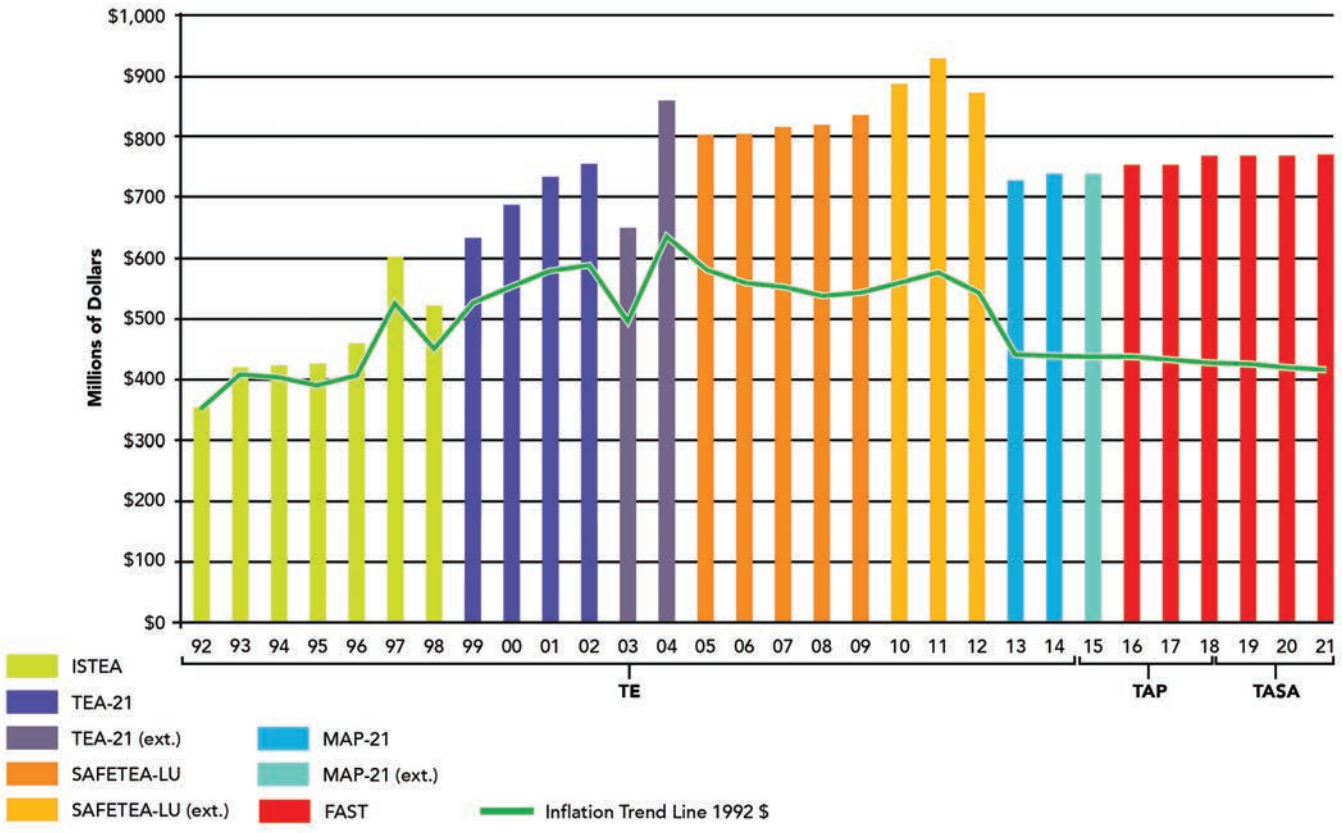
TE: Over the 21 years (FY 1992 through FY 2012) of TE, the cumulative apportioned funding provided was $14.27 billion. The remaining unobligated balance is $225 million, an increase from FY 2020 in which the balance was $154 million. States had the ability to deobligate and reobligate funding for projects, which reset the period of availability—causing the unobligated TE balance to fluctuate.

TAP: Over the three years (FY 2013 through FY 2015) of TAP, cumulative funding apportioned to states was $2.2 billion.

TASA: A total of $767 million was apportioned each year in FY 2018 through FY 2021. A total of $4.5 billion has been apportioned from FY 2016 to FY 2021. These numbers do not include the $85 million off the top for the Recreational Trails Program (RTP) for each of the five years of the FAST Act. The remaining unobligated balance is $1.8 billion.

TE + TAP + TASA: The cumulative apportioned funding for TE, TAP and TASA (FY 1992 through FY 2021) is $21.12 billion. The national apportionments by year are shown in Figure 7.

Figure 7: TE/TAP/TASA Apportionments by Year, FYs 1992–2021



Obligations

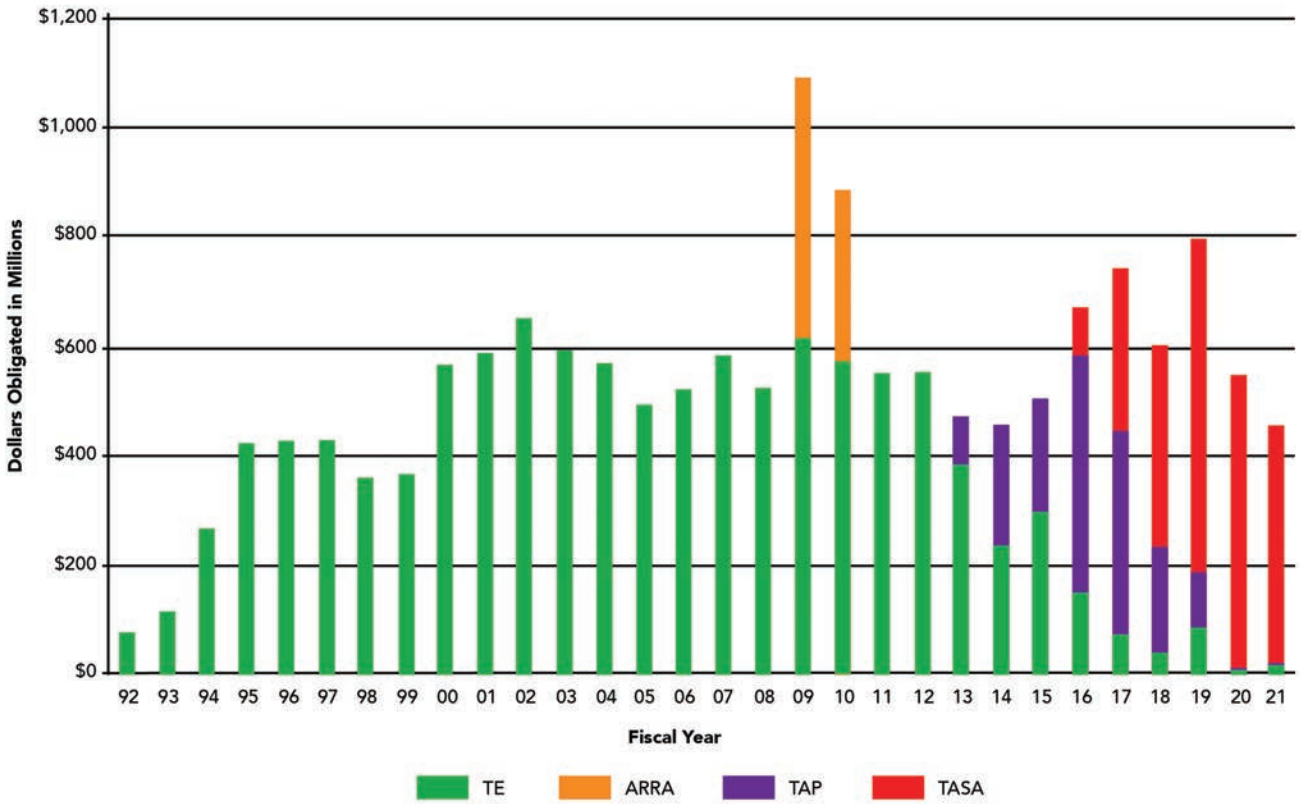
Obligations represent a significant step in the project implementation process, during which FHWA commits to reimburse states for the federal share of the cost of selected projects. Figure 8 shows the amounts obligated by year. This analysis examines overall obligation rates, recent trends in obligation and obligation rates for suballocated funds.

Of note, the highest obligations occurred in FY 2009 and FY 2010 because of American Recovery and Reinvestment Act (ARRA) dollars being used in addition to Transportation Alternative (TA) funds. While states have largely spent down TE balances in favor of more recent funding, the obligation of overall funds has declined despite historic demand for funds.

Obligation Rates by Fiscal Year

This report analyzes obligation rates in two ways. The first method is to compare cumulative obligation rates to the cumulative apportionment. This rate is one indicator of how state DOTs and MPOs direct TE/TAP/TASA funds to eligible projects, though it is important to recognize that the entire apportionment amount may not be available due to annual obligation limitations. Over the course of 30 years, 71% of apportionments have been obligated on TE/TAP/TASA projects nationwide.

Figure 8: TE/TAP/TASA Funding Obligated by Year, FYs 1992–2021



The second method, shown in Table 1, is to compare the obligated amount to the apportionment in a particular fiscal year. Table 1 shows the unobligated TE/TAP/TASA balances. This amount shows how much of the year's apportionment has been obligated. This amount can vary between years, and some states have two-year funding cycles. As seen in Table 1, states are able to obligate more than 100% of one year's apportionment by "reaching back" to obligate funds apportioned from previous years.

From FY 2016 on, only TASA funds were apportioned, but "old" TE and TAP funds were obligated. Some TE funds were deobligated in 2021, resulting in an increase of the TE unobligated balance.

Recent Trends in Obligation

While the cumulative obligation rate is a useful measure, a state-by-state analysis of recent trends (i.e., past six years) in obligation rates provides further insight into TE/TAP/TASA spending by state DOTs and MPOs.

TE: During FY 2021, $12 million in TE funds was obligated, a significant increase from FY 2020 ($6 million), but far less than in FY 2019 ($86 million). The unobligated TE balance was $225 million, up from $154 million the year prior. As noted previously, the unobligated TE balance will continue to fluctuate as states deobligate and reobligate funds.

TAP: In FY 2021, $4.06 million in TAP funds was obligated, compared to $3.9 million in FY 2020. The unobligated TAP balance was $37 million, down approximately $10 million from FY 2020's unobligated balance of $46 million. The decrease in obligation of TAP funds, coupled with the decrease in unobligated balances, shows that most TAP funds were obligated in previous years and that a significant amount was removed from the program through transfers. As TAP was not a set-aside like TE and TASA, but a separate program, it remains particularly susceptible to lapsing (see next chapter).

TASA: For FY 2021, the national obligation amount for TASA was $443 million, down from $535.5 million in FY 2020 and $608.9 million in FY 2019. This indicates that last year, states were focused on using remaining TE and TAP funds as well as obligating the newer TASA funds. A total of $1.8 billion was unobligated in FY 2021.

TE + TAP + TASA: In FY 2021, the combined obligation rate for TE, TAP and TASA was 59.9%, a significant decrease from 71% in FY 2020 and 103.7% in FY 2019. This is likely because states were no longer under threat of losing funds due to rescission, though some funds were still lapsed.

A planned but ultimately repealed rescission contributed to the significant increase in the rate of obligations in FY 2019 as states worked to avoid the loss of funds. Compared to the $546 million obligated in 2020, only $458 million was obligated in 2021.

Table 1: Unobligated Funds as of FY 2021

State	2021 Apportionment	Obligation Rate	Total Available Remaining	Obligation/Total Available Remaining	Unobligated TE	Unobligated TAP	Unobligated TASA
Alabama	$15,903,966	39.1%	$58,910,695	33.7%	$538,585	$816,599	$51,334,438
Alaska	$5,255,429	97.8%	$17,032,293	2.6%	$106,284	$0	$11,786,048
Arizona	$15,780,308	69.8%	$49,568,952	7.6%	$1,792,440	$1,635,786	$35,129,625
Arkansas	$9,893,667	64.0%	$25,790,549	35.0%	$459,864	$154,525	$18,846,168
California	$70,243,076	50.8%	$280,434,711	20.5%	$35,423,335	$5,964,815	$203,370,129
Colorado	$10,703,299	109.0%	$32,593,104	16.8%	$0	$0	$20,922,439
Connecticut	$9,013,604	73.8%	$23,244,695	29.8%	$961,832	$290,329	$15,336,739
Delaware	$2,857,957	99.5%	$6,530,574	28.2%	$133,596	$13,578	$3,540,521
District of Columbia	$2,462,399	37.1%	$9,089,346	38.7%	$250,374	$0	$7,924,366
Florida	$49,130,914	82.3%	$120,457,338	35.5%	$123,313	$1,539,104	$78,369,792
Georgia	$32,530,791	52.8%	$90,779,525	23.4%	$885,933	$1,580,312	$71,141,884
Hawaii	$2,813,683	79.0%	$9,527,193	14.6%	$0	$0	$7,304,975
Idaho	$3,985,854	98.7%	$8,231,129	43.9%	$9	$385	$4,297,269
Illinois	$28,260,632	136.9%	$138,971,588	28.3%	$38,882,488	$961,888	$60,446,657
Indiana	$22,079,877	54.2%	$53,398,577	35.1%	$8,479,406	$469,234	$32,478,081
Iowa	$9,389,410	42.8%	$19,883,987	30.1%	$1,588,838	$118,207	$14,162,792
Kansas	$9,439,444	96.9%	$31,156,668	42.9%	$37,450	$243,140	$21,726,627
Kentucky	$12,114,631	67.1%	$36,993,802	83.9%	$2,161,280	$683,248	$26,025,618
Louisiana	$10,850,931	55.0%	$37,811,183	9.8%	$403,050	$1,940,667	$29,501,770
Maine	$2,058,242	96.5%	$8,651,391	23.1%	$190,193	$0	$6,474,469
Maryland	$11,424,717	42.2%	$46,870,477	10.7%	$1,399,362	$439,940	$40,205,828
Massachusetts	$10,967,563	109.1%	$36,055,606	23.6%	$1,939,634	$509,147	$21,642,376
Michigan	$24,500,248	51.5%	$61,095,595	68.4%	$989,059	$205,487	$47,285,454
Minnesota	$14,892,924	125.5%	$31,176,302	41.5%	$852,571	$8,435	$11,628,289
Mississippi	$9,644,301	38.3%	$43,539,841	16.7%	$8,833,132	$569,325	$30,444,374
Missouri	$18,636,252	27.7%	$46,070,675	23.6%	$2,114,482	$6,121,801	$32,681,344
Montana	$4,501,546	17.8%	$7,474,602	59.6%	$0	$28,865	$6,645,777
Nebraska	$5,800,536	0.9%	$12,369,813	55.6%	$266,366	$113,065	$11,939,863
Nevada	$5,118,674	35.1%	$14,059,494	52.4%	$36,068	$1,269,579	$10,957,050
New Hampshire	$2,693,395	55.2%	$5,489,781	-0.5%	$0	$3,866	$3,998,533
New Jersey	$17,225,758	88.1%	$133,532,359	19.9%	$49,419,940	$89,627	$68,852,325
New Mexico	$6,158,457	84.7%	$15,379,614	11.3%	$1,041,048	$772,660	$8,352,148
New York	$27,292,595	52.9%	$107,777,055	48.8%	$9,303,080	$270,393	$83,764,537
North Carolina	$22,574,906	70.8%	$73,423,756	61.1%	$9,826,200	$2,498,066	$45,109,667
North Dakota	$3,319,767	40.9%	$6,837,029	15.8%	$197,497	$8,673	$5,274,487
Ohio	$27,350,112	82.8%	$60,842,738	40.0%	$0	$0	$38,191,243
Oklahoma	$13,020,292	61.9%	$40,975,800	16.8%	$6,403,694	$0	$26,513,882
Oregon	$7,814,037	51.6%	$19,503,580	36.5%	$21,600	$335,786	$15,115,304
Pennsylvania	$26,560,844	77.7%	$122,637,745	18.5%	$5,555,601	$0	$96,435,817
Rhode Island	$2,426,060	221.2%	$12,024,600	32.8%	$998,277	$229,194	$5,431,601
South Carolina	$15,157,163	64.6%	$39,429,080	29.4%	$175,264	$0	$29,456,394
South Dakota	$4,383,744	14.9%	$6,053,924	55.7%	$0	$0	$5,402,363
Tennessee	$17,402,983	27.3%	$54,952,640	95.0%	$83,388	$1,465,264	$48,660,116
Texas	$77,823,495	15.5%	$212,330,439	30.8%	$20,196,072	$1,002,265	$179,105,311
Utah	$5,187,512	42.6%	$13,130,557	27.8%	$1,862	$189,092	$10,728,423
Vermont	$2,234,902	136.8%	$10,004,319	18.7%	$392,894	$36,140	$6,517,137
Virginia	$21,178,294	18.2%	$78,526,913	57.0%	$4,218,798	$3,522,755	$66,936,187
Washington	$11,076,742	56.2%	$38,477,651	30.7%	-$851,337	$697,404	$32,410,214
West Virginia	$5,884,975	56.3%	$26,606,325	16.2%	$7,945,371	$41,208	$15,305,946
Wisconsin	$17,483,397	38.8%	$64,879,157	11.3%	$1,798,828	$131,146	$56,162,167
Wyoming	$2,297,911	96.4%	$8,554,096	6.7%	$0	$0	$6,338,897
National	**$766,802,216**	**59.9%**	**$2,509,138,864**	**31.7%**	**$225,577,020**	**$36,971,003**	**$1,787,613,460**

Unobligated Funding: While FY 2021 resulted in a decrease in the unobligated TE balance and the unobligated TAP balance as states continued to spend TE and TAP funds (which are no longer being apportioned) or as TAP funds lapsed (disappeared as though they never existed), the unobligated TASA balance increased. The TE/TAP/TASA combined unobligated balance at the conclusion of 2021 was $2 billion. State-specific unobligated balances at the close of FY 2021 are also reported in Table 1.

TA Obligations by Area

TAP and TASA funds are partially suballocated to large urbanized areas within a state based on population. For census-designated urbanized areas with a population greater than 200,000, the FAST Act designates the local MPO to administer a competitive process to select projects for TASA funds in the region. Table 2 shows the FY 2021 obligation amounts for TAP and TASA projects, and the rates as compared to the FY 2021 apportionment.

State DOTs are responsible for administering a process to select projects for funds suballocated to small and medium-sized areas (with population under 5,000, and between 5,001 and 200,000, respectively), as well as any area funds that can be used for projects throughout the state. Under the BIL, passed in November 2021, the suballocation to areas with populations between 5,001 and 200,000 will be further divided into areas with populations of 5,001 to 50,000 and of 50,001 to 200,000.

MPOs are responsible for selecting projects for their suballocated funds. Table 3 shows FY 2021 obligations of TA funds by state, separated into MPO-allocated funds and state-allocated funds. Unless the state allows subgrants, the state agency remains responsible for the administration of all funds as the agency to which funds are allocated. Five states—Montana, North Dakota, South Dakota, Vermont and Wyoming—do not have large MPOs that qualify for suballocated TA funds. Historical apportionments by state are available online at **railstotrails.org/policy/trade/states**.

As shown in Table 3, for FY 2021, the national obligation rate for MPOs is slightly lower than for state agencies, at 54% and 62% respectively. In FY 2020, these rates for MPOs and state agencies were at 79% and 72% respectively as agencies at both levels spent down balances from prior years.

Reimbursements

The final stage of the project funding cycle is reimbursement. 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, there can be a significant period between obligation and reimbursement. Reimbursements do not occur until the project is complete on the ground and has been inspected.

The reimbursement rate indicates the percentage of obligated funds that were reimbursed. Within a fiscal year, differences in reimbursement rates can be explained a number of ways. Therefore, when looked at alone, reimbursement rates are insufficient benchmarks for the funding analysis. A low reimbursement rate together with a high obligation rate in recent years could indicate that many projects in that state are ongoing. A high reimbursement rate together with a low obligation rate in recent years could indicate that few new projects are being implemented and older projects are being completed. Reimbursement rates should be interpreted in the context of the whole funding process. Consequently, the cumulative reimbursement rate is a more accurate portrayal of overall project implementation over time. The cumulative reimbursement amount for FY 1992 to FY 2021 was $14.04 billion, and the rate was 93%. Table 4 has the state-specific and national cumulative amounts for all the program benchmarks.

TASA: In FY 2020, the national reimbursement rate for TASA was 62.5% of the amount obligated. In comparison, in FY 2020, the reimbursement rate for TASA was 80%. This is an indication that more projects are being completed.

TE + TAP + TASA: The cumulative (FY 1992 to FY 2020) reimbursement rate nationally was 93% of obligations and 66% of apportionments.

Table 2: TA Obligations by Large Urbanized Area Suballocation, FY 2021

State	Apportionment	TAP Obligations	TAP Rate	TASA Obligations	TASA Rate	TAP + TASA Obligations	Rate
Alabama	$2,817,964	$15,200	1%	$1,288,665	46%	$1,303,865	46%
Alaska	$929,549		0%	$2,440,105	263%	$2,440,105	263%
Arizona	$5,520,479	$(59,047)	-1%	$8,656,376	157%	$8,597,329	156%
Arkansas	$1,300,767		0%	$694,106	53%	$694,106	53%
California	$28,343,726	$42,073	0%	-$2,512,532	-9%	$(2,470,459)	-9%
Colorado	$3,403,126		0%	$2,758,562	81%	$2,758,562	81%
Connecticut	$3,374,489	$42,731	1%	$4,182,170	124%	$4,224,901	125%
Delaware	$766,461	$9,702	1%	-$121,047	-16%	$(111,345)	-15%
District of Columbia	$1,231,199	$(114,403)	-9%	$765,747	62%	$651,344	53%
Florida	$18,989,361	$513,998	3%	$2,374,922	13%	$2,888,920	15%
Georgia	$8,949,110	$64,000	1%	$7,039,112	79%	$7,103,112	79%
Hawaii	$829,914	$(136,302)	-16%	-$1,469,773	-177%	$(1,606,075)	-194%
Idaho	$444,567	$(1)	0%	$107,016	24%	$107,015	24%
Illinois	$10,299,707	$139,204	1%	$23,037,587	224%	$23,176,791	225%
Indiana	$5,080,008	$(9,404)	0%	$844,987	17%	$835,583	16%
Iowa	$1,019,457	$248,806	24%	$1,885,519	185%	$2,134,325	209%
Kansas	$1,879,834		0%	$720,544	38%	$720,544	38%
Kentucky	$2,143,913	$47,034	2%	$868,816	41%	$915,850	43%
Louisiana	$2,447,481		0%	$619,367	25%	$619,367	25%
Maine	$157,978		0%	$74,715	47%	$74,715	47%
Maryland	$4,170,589		0%	$4,820,788	116%	$4,820,788	116%
Massachusetts	$4,679,378		0%	$528,293	11%	$528,293	11%
Michigan	$6,884,136	$14,467	0%	$4,340,279	63%	$4,354,746	63%
Minnesota	$3,721,338	$68,469	2%	$1,595,653	43%	$1,664,122	45%
Mississippi	$1,119,264		0%	$1,761,510	157%	$1,761,510	157%
Missouri	$4,523,673		0%	$2,434,861	54%	$2,434,861	54%
Montana							0%
Nebraska	$1,453,327		0%	-$123,028	-8%	$(123,028)	-8%
Nevada	$2,220,618	$41,852	2%	$482,606	22%	$524,458	24%
New Hampshire	$319,286		0%	$78,122	24%	$78,122	24%
New Jersey	$7,738,236	$252,840	3%	$6,674,609	86%	$6,927,449	90%
New Mexico	$1,154,468	$(178,158)	-15%	$1,001,597	87%	$823,439	71%
New York	$10,783,948	$(113,936)	-1%	$3,322,833	31%	$3,208,897	30%
North Carolina	$5,177,705	$(448,582)	-9%	$40,482	1%	$(408,100)	-8%
North Dakota							0%
Ohio	$8,142,461		0%	$567,131	7%	$567,131	7%
Oklahoma	$2,632,595		0%	$1,281,031	49%	$1,281,031	49%
Oregon	$2,013,528	$94,150	5%	$2,033,382	101%	$2,127,532	106%
Pennsylvania	$8,251,352	$44,845	1%	$6,546,777	79%	$6,591,622	80%
Rhode Island	$1,097,248		0%	$2,880,000	262%	$2,880,000	262%
South Carolina	$3,057,672		0%	$3,237,04	106%	$3,237,044	106%
South Dakota							0%
Tennessee	$3,732,985	$(47,455)	-1%	$1,776,357	48%	$1,728,902	46%
Texas	$25,567,954	$(584,802)	-2%	$12,767,636	50%	$12,182,834	48%
Utah	$1,923,896	$110,281	6%	$1,727,235	90%	$1,837,516	96%
Vermont							0%
Virginia	$6,404,578	$(97,435)	-2%	$2,396,140	37%	$2,298,705	36%
Washington	$3,309,065		0%	$675,127	20%	$675,127	20%
West Virginia	$178,277	$194,952	109%	$38,029	21%	$232,981	131%
Wisconsin	$3,430,359	$(692)	0%	$3,860,800	113%	$3,860,108	113%
Wyoming							0%
National	**$223,617,026**	**$154,387**	**0.07%**	**$121,000,257**	**54%**	**$121,154,644**	**54%**

Table 3: TA Obligations by Large Urbanized Area Suballocation and State Allocation, FY 2021

	Apportionment			Obligation			Rate		
State	MPO	State	Total	MPO: TAP + TASA	State: TE + TAP + TASA	Total	MPO	State	Total
Alabama	$2,817,964	$13,086,002	$15,903,966	$1,303,865	$4,906,893	$6,221,073	46%	37%	39%
Alaska	$929,549	$4,325,880	$5,255,429	$2,440,105	$2,609,225	$5,139,962	263%	60%	98%
Arizona	$5,520,479	$10,259,829	$15,780,308	$8,597,329	$2,451,529	$11,011,102	156%	24%	70%
Arkansas	$1,300,767	$8,592,900	$9,893,667	$694,106	$5,635,886	$6,329,992	53%	66%	64%
California	$28,343,726	$41,899,350	$70,243,076	-$2,470,459	$38,965,040	$35,676,433	-9%	93%	51%
Colorado	$3,403,126	$7,300,173	$10,703,299	$2,758,562	$8,912,103	$11,670,665	81%	122%	109%
Connecticut	$3,374,489	$5,639,115	$9,013,604	$4,224,901	$2,367,198	$6,655,796	125%	42%	74%
Delaware	$766,461	$2,091,496	$2,857,957	-$111,345	$2,954,224	$2,842,879	-15%	141%	99%
District of Columbia	$1,231,199	$1,231,200	$2,462,399	$651,344	$321,070	$914,606	53%	26%	37%
Florida	$18,989,361	$30,141,553	$49,130,914	$2,888,920	$37,587,995	$40,425,129	15%	125%	82%
Georgia	$8,949,110	$23,581,681	$32,530,791	$7,103,112	$9,937,402	$17,171,396	79%	42%	53%
Hawaii	$829,914	$1,983,769	$2,813,683	-$1,606,075	$4,076,044	$2,222,219	-194%	205%	79%
Idaho	$444,567	$3,541,287	$3,985,854	$107,015	$3,826,452	$3,933,466	24%	108%	99%
Illinois	$10,299,707	$17,960,925	$28,260,632	$23,176,791	$15,331,294	$38,680,555	225%	85%	137%
Indiana	$5,080,008	$16,999,869	$22,079,877	$835,583	$11,254,063	$11,971,856	16%	66%	54%
Iowa	$1,019,457	$8,369,953	$9,389,410	$2,134,325	$1,804,014	$4,014,150	209%	22%	43%
Kansas	$1,879,834	$7,559,610	$9,439,444	$720,544	$8,428,906	$9,149,450	38%	111%	97%
Kentucky	$2,143,913	$9,970,718	$12,114,631	$915,850	$7,127,453	$8,123,656	43%	71%	67%
Louisiana	$2,447,481	$8,403,450	$10,850,931	$619,367	$5,478,253	$5,965,695	25%	65%	55%
Maine	$157,978	$1,900,264	$2,058,242	$74,715	$1,912,015	$1,986,730	47%	101%	97%
Maryland	$4,170,589	$7,254,128	$11,424,717	$4,820,788	$4,558	$4,825,347	116%	0%	42%
Massachusetts	$4,679,378	$6,288,185	$10,967,563	$528,293	$11,481,729	$11,964,449	11%	183%	109%
Michigan	$6,884,136	$17,616,112	$24,500,248	$4,354,746	$8,260,849	$12,615,595	63%	47%	51%
Minnesota	$3,721,338	$11,171,586	$14,892,924	$1,664,122	$17,022,885	$18,687,007	45%	152%	125%
Mississippi	$1,119,264	$8,525,037	$9,644,301	$1,761,510	$1,931,500	$3,693,010	157%	23%	38%
Missouri	$4,523,673	$14,112,579	$18,636,252	$2,434,861	$2,718,191	$5,153,048	54%	19%	28%
Montana	$0	$4,501,546	$4,501,546	$0	$799,960	$799,960	0%	18%	18%
Nebraska	$1,453,327	$4,347,209	$5,800,536	-$123,028	$173,547	$50,519	-8%	4%	1%
Nevada	$2,220,618	$2,898,056	$5,118,674	$524,458	$1,793,098	$1,796,797	24%	62%	35%
New Hampshire	$319,286	$2,374,109	$2,693,395	$78,122	$1,409,260	$1,487,382	24%	59%	55%
New Jersey	$7,738,236	$9,487,522	$17,225,758	$6,927,449	$8,025,614	$15,170,467	90%	85%	88%
New Mexico	$1,154,468	$5,003,989	$6,158,457	$823,439	$4,415,599	$5,213,758	71%	88%	85%
New York	$10,783,948	$16,508,647	$27,292,595	$3,208,897	$11,169,064	$14,439,045	30%	68%	53%
North Carolina	$5,177,705	$17,397,201	$22,574,906	-$408,100	$15,834,072	$15,989,823	-8%	91%	71%
North Dakota	$0	$3,319,767	$3,319,767	$0	$1,356,372	$1,356,372	0%	41%	41%
Ohio	$8,142,461	$19,207,651	$27,350,112	$567,131	$22,084,365	$22,651,496	7%	115%	83%
Oklahoma	$2,632,595	$10,387,697	$13,020,292	$1,281,031	$6,777,194	$8,058,224	49%	65%	62%
Oregon	$2,013,528	$5,800,509	$7,814,037	$2,127,532	$1,903,359	$4,030,890	106%	33%	52%
Pennsylvania	$8,251,352	$18,309,492	$26,560,844	$6,591,622	$14,048,880	$20,646,327	80%	77%	78%
Rhode Island	$1,097,248	$1,328,812	$2,426,060	$2,880,000	$2,485,528	$5,365,528	262%	187%	221%
South Carolina	$3,057,672	$12,099,491	$15,157,163	$3,237,044	$6,560,378	$9,797,422	106%	54%	65%
South Dakota	$0	$4,383,744	$4,383,744	$0	$651,561	$651,561	0%	15%	15%
Tennessee	$3,732,985	$13,669,998	$17,402,983	$1,728,902	$2,917,481	$4,743,872	46%	21%	27%
Texas	$25,567,954	$52,255,541	$77,823,495	$12,182,834	$180,329	$12,026,790	48%	0%	15%
Utah	$1,923,896	$3,263,616	$5,187,512	$1,837,516	$277,690	$2,211,179	96%	9%	43%
Vermont	$0	$2,234,902	$2,234,902	$0	$3,058,148	$3,058,148	0%	137%	137%
Virginia	$6,404,578	$14,773,716	$21,178,294	$2,298,705	$1,507,742	$3,849,172	36%	10%	18%
Washington	$3,309,065	$7,767,677	$11,076,742	$675,127	$5,546,930	$6,221,368	20%	71%	56%
West Virginia	$178,277	$5,706,698	$5,884,975	$232,981	$3,080,819	$3,313,800	131%	54%	56%
Wisconsin	$3,430,359	$14,053,038	$17,483,397	$3,860,108	$2,926,909	$6,787,017	113%	21%	39%
Wyoming	$0	$2,297,911	$2,297,911	$0	$2,215,199	$2,215,199	0%	96%	96%
National	**$223,617,026**	**$543,185,190**	**$766,802,216**	**$121,154,644**	**$338,505,869**	**$458,977,382**	**54%**	**62%**	**60%**

Table 4: State TE/TAP/TASA Program Benchmarks, FYs 1992–2021

State	Apportioned	Available	Programmed	Obligated	Reimbursed
Alabama	$1,248,028,385	$391,818,620	$309,305,655	$297,531,251	$280,078,297
Alaska	$220,118,431	$187,338,858	$162,008,572	$164,240,720	$158,255,479
Arizona	$387,459,668	$373,745,915	$209,276,060	$293,388,331	$275,787,540
Arkansas	$271,745,518	$206,419,338	$184,522,139	$172,172,147	$155,750,559
California	$1,823,541,968	$1,820,711,487	$1,256,730,299	$1,408,752,160	$1,254,501,680
Colorado	$288,456,268	$268,945,343	$177,512,311	$227,634,662	$226,383,789
Connecticut	$253,465,787	$194,222,148	$184,744,180	$161,826,033	$139,933,494
Delaware	$92,844,493	$99,575,979	$80,196,458	$92,598,898	$89,083,713
District of Columbia	$79,130,381	$74,375,690	$51,548,858	$60,099,178	$55,914,166
Florida	$1,287,709,916	$1,236,951,367	$1,136,843,459	$1,095,135,762	$1,017,008,312
Georgia	$796,999,784	$629,349,994	$367,436,860	$483,045,338	$439,107,807
Hawaii	$114,336,427	$106,831,189	$90,433,397	$88,559,347	$74,968,971
Idaho	$135,818,696	$103,558,381	$108,473,123	$95,237,728	$88,692,424
Illinois	$745,209,504	$784,724,082	$844,877,906	$582,265,549	$524,207,661
Indiana	$548,513,433	$600,760,901	$490,226,572	$539,600,082	$518,117,134
Iowa	$261,245,329	$242,325,997	$327,727,835	$211,776,607	$205,667,831
Kansas	$260,718,424	$286,178,137	$257,110,644	$243,393,613	$230,898,586
Kentucky	$329,146,558	$321,738,660	$245,267,212	$269,061,299	$245,475,052
Louisiana	$296,446,304	$235,236,538	$270,477,344	$174,941,808	$165,175,482
Maine	$86,684,270	$85,022,935	$104,101,161	$71,903,274	$71,124,215
Maryland	$301,453,788	$289,125,681	$303,681,590	$212,621,902	$197,237,227
Massachusetts	$306,396,635	$298,454,381	$211,795,977	$253,199,628	$216,640,574
Michigan	$647,383,949	$638,231,790	$651,625,397	$557,587,404	$536,097,707
Minnesota	$393,719,689	$369,746,179	$432,311,243	$342,474,584	$360,534,296
Mississippi	$261,768,736	$287,792,993	$220,134,651	$214,610,255	$202,221,231
Missouri	$472,556,884	$437,962,667	$270,369,117	$364,193,834	$352,641,817
Montana	$153,758,961	$136,518,843	$132,586,275	$126,871,145	$126,004,338
Nebraska	$173,330,011	$135,662,154	$112,027,473	$117,500,247	$113,794,677
Nevada	$150,555,972	$125,005,626	$119,123,730	$103,632,759	$94,275,471
New Hampshire	$93,678,828	$85,004,286	$99,066,312	$77,365,143	$73,629,407
New Jersey	$441,822,423	$484,189,520	$226,442,802	$270,744,146	$201,258,573
New Mexico	$189,082,176	$154,328,095	$214,703,388	$133,675,597	$120,142,338
New York	$847,011,396	$707,550,768	$621,952,915	$538,411,321	$498,542,150
North Carolina	$586,804,286	$541,614,617	$607,958,167	$440,320,688	$402,754,282
North Dakota	$198,256,005	$92,622,525	$77,334,996	$81,474,432	$79,939,106
Ohio	$799,174,549	$651,584,515	$597,010,277	$583,971,879	$569,906,182
Oklahoma	$352,408,112	$266,129,855	$164,664,652	$200,062,924	$185,796,529
Oregon	$230,023,696	$198,581,074	$181,344,489	$172,422,613	$160,362,837
Pennsylvania	$646,052,413	$758,728,315	$561,272,963	$570,339,910	$531,060,970
Rhode Island	$84,471,952	$95,909,147	$251,894,484	$80,200,159	$74,841,042
South Carolina	$377,098,760	$289,996,151	$185,881,418	$227,723,776	$208,608,065
South Dakota	$138,384,938	$75,220,185	$68,138,300	$68,147,641	$67,749,995
Tennessee	$451,078,926	$433,615,251	$353,709,548	$347,723,319	$322,072,419
Texas	$2,052,894,711	$1,338,264,328	$1,208,910,215	$980,468,257	$905,523,694
Utah	$151,283,122	$143,356,529	$109,845,145	$122,862,300	$120,124,626
Vermont	$83,365,079	$90,056,184	$74,821,099	$75,342,583	$70,040,957
Virginia	$624,947,556	$550,785,983	$460,041,443	$422,211,913	$387,237,645
Washington	$317,440,020	$287,654,997	$284,400,597	$229,165,981	$237,669,073
West Virginia	$159,739,479	$178,053,616	$103,256,399	$134,128,880	$117,985,201
Wisconsin	$569,391,690	$336,940,416	$242,198,174	$221,193,920	$208,663,368
Wyoming	$91,775,737	$99,181,275	$79,986,225	$86,586,193	$83,190,164
National	**$21,123,831,773**	**$18,827,699,503**	**$16,087,309,504**	**$15,090,399,119**	**$14,042,678,153**

FUNDING LOSSES

There are three primary ways in which Transportation Enhancements (TE), Transportation Alternatives Program (TAP) and Transportation Alternatives Set-Aside (TASA) funding can be prevented from being used for TE/TAP/TASA-eligible activities: rescissions, lapsing and transfers.

In this section, we discuss the three mechanisms and recent trends for each mechanism. However, to understand these fully, it is also important to understand how funding is distributed through contract authority.

Contract Authority

Most federal transportation programs, including TE and Transportation Alternatives (TA), are contract authority (CA) programs, a one-step congressional process: The authorizing legislation—like the Fixing America's Surface Transportation (FAST) Act—sets policy and maximum funding levels, and then funds are simply distributed to state departments of transportation (DOTs) with no further legislative action needed.

This is in contrast to the vast majority of federal programs funded through appropriated budget authority, a two-step congressional process: (1) Authorizing legislation sets policy and maximum funding levels, but then (2) yearly funding levels are decided through the annual congressional budget and appropriations process. Funding is decided annually, but with uncertainty until a spending bill is passed by Congress, and with volatility in funding amounts from year to year.

Transportation planners and engineers consider the one-year-at-a-time approach to have too much uncertainty to be able to complete future infrastructure projects that may take multiple years to plan, design and build. To deal with this uncertainty, CA allows transportation funding to bypass the messy yearly appropriations debate in Congress over funding levels and for the U.S. Department of Transportation (USDOT) to distribute FAST Act funds to the states.

However, Congress does not always have enough money to fully reimburse the total amount of surface transportation funding apportioned to the states. At times, it even chooses to limit overall federal expenditures. To ensure that it is able to reimburse states, Congress limits the total amount that states can spend (obligate). This is called an obligation limitation, obligation ceiling or obligation authority—the terms are interchangeable. Congress does not limit states on a program-by-program basis; rather, it limits each state as a whole, allowing states to make decisions about how they wish to spend their funding.

In practice, Congress passes an obligation limitation every year. Consequently, over the course of many years, states have accumulated funds apportioned to them that they cannot use because of the obligation limitation in addition to available funding that was not obligated. This is where transfers, lapsing and rescissions come in.

Transfers

There are two types of transfers of TE/TAP/TASA funds that determine how transferred funds can be used: inter-program and inter-agency transfers.

The legislative language in the FAST Act and the Moving Ahead for Progress in the 21st Century Act (MAP-21) allows states to make inter-program transfers, moving up to 50% of their TA funds to other Federal-aid Highway Programs (FAHPs), after the Recreational Trails Program (RTP) set-aside. A state can only transfer the funds designated for use in any area of the state, not suballocated funds like those available to metropolitan planning organizations (MPOs). (See Figure 3 for details.) Additionally, states may transfer funds from any other Federal Highway Administration (FHWA) program into TE/TAP/TASA, and TASA projects are eligible under the Surface Transportation Block Grant (STBG) program without a transfer.

For TE funding, transfers were allowed beginning with the Transportation Equity Act for the 21st Century (TEA-21) for fiscal year (FY) 1999. States could make inter-program transfers of up to 25% of the portion of the annual TE funding that is above the state's fiscal year (FY) 1997 TE apportionment level. States are also permitted to make inter-agency transfers of TE funds to the Federal Transit Administration (FTA) under the requirements of Chapter 53 of Title 49, United States Code. There is no limit on the amount that can be transferred to the FTA; however, the transferred funds must be used for TE-eligible activities. Currently, these TE provisions are largely unused, but in FY 2021, Maryland used the inter-agency transferability provision to transfer $1.1 million to the National Park Service (NPS) (Table 5). The funds were used for resurfacing the Chesapeake & Ohio (C&O) Canal National Historical Park—the eastern terminus of the Great American Rail-Trail® and an economic driver for surrounding communities—ensuring the towpath can continue to be enjoyed by millions of users each year.

The shift in allowable transfers under MAP-21 opened the door for states to greatly increase the amount of interprogram transfers, with $1.6 billion or about 24% of the apportioned dollars in total transfers since the passage of MAP-21 in 2012. In comparison, only $192 million was transferred in the first two decades of the program prior to the passage of MAP-21. The total transfers between FY 1992 and FY 2021 equate to $1.88 billion. The vast majority of transfers ($1.6 billion) have occurred in the last 10 years; only $192 million was transferred prior to the passage of MAP-21.

Lapsing

Funds that are rescinded are returned from the states to the federal government. In contrast, funds that have lapsed are not returned to the federal government, but "disappear" and are unavailable for any use, as though they never existed.

For most transportation programs, funding is available to be obligated for four fiscal years—the year funds were apportioned plus three additional fiscal years. Many states, including Virginia, obligate funding on a two-year cycle to maximize funds. Programs are able to "carry over" some unobligated funds every year without having them lapse. The amount that states can carry over is equal to the total apportionments for the previous three years. Unobligated amounts above the carryover limit lapse, starting with the oldest program first.

These rules apply to most transportation programs—including the Surface Transportation Program/Surface Transportation Block Grant (STP/STBG) program. STP/STBG is the most versatile funding source, typically used to build roads, bridges and highways; however, trails, bike lanes and sidewalks are also eligible. As the program is the most flexible federal source for building infrastructure, states take great care and attention not to let STP/STBG funds lapse. States can prevent lapsing by either spending (obligating) funds or transferring funds to another program where funds won't lapse.

What about TE, TAP and TASA funds? Will they lapse?

- TE funds were legally part of the STP. With states taking care not to let STP funds lapse, TE funds also won't lapse.
- TAP funds from MAP-21 are not part of the STP. If states are not careful to obligate or transfer funds, TAP funds will lapse within four years of apportionment.
- TASA funds from the FAST Act are a set-aside of the STBG program and are therefore part of the STBG program. With states taking care not to let STBG funds lapse, TASA funds also won't lapse.

No states allowed funding to lapse in FY 2021.

Rescissions

From time to time, Congress takes back some—but not all—unobligated federal transportation money from states. Unobligated balances occur if a state does not obligate dollars apportioned to it. While obligation limitations can contribute to unobligated balances, states have discretion to obligate at a higher or lower rate than the overall obligation limitation for any given program, including TA.

Since 1992, 14 rescissions have impacted TE/TAP/TASA funds. The first and only rescission to impact TASA funds was enacted in 2017. The rescission applied to all CA funds under Chapter 1 of Title 23, United States Code. This chapter contains the FAHP and several smaller programs subject to the rescission, including TE, TAP and TASA funds. Additional rescissions were scheduled in the FAST Act to impact FY 2018 and FY 2019 funds but were eventually repealed.

Unobligated funds were rescinded proportionally by program. For example, if TA made up 10% of a state's unobligated funds, 10% of the amount to be rescinded to Congress was required to come from TA. In contrast, previous TE rescissions gave states the autonomy to select from which programs to rescind unobligated funds. This practice often led to a greater percentage of rescissions coming from unobligated TE funds than the total of unobligated funds for transportation programs across the board.

Currently, there are no rescissions scheduled under the Bipartisan Infrastructure Law (BIL), but Congress retains the authority to authorize a rescission. States must proactively obligate funds to projects in order to avoid the impact of this funding loss.

Inter-Agency Transfers

Inter-agency transfers are a frequently used mechanism to transfer funds from a state DOT to federal agencies to administer TE/TAP/TASA-eligible projects. In Western states, the federal government directly maintains a large amount of land; thus, transfers to the U.S. Forest Service (FS), Bureau of Land Management (BLM) or NPS to administer projects are not uncommon. Several agencies, including the FS, have become more proactive about applying for TA funding to build multiuse trails and other eligible projects on federally managed lands. Other agencies like the FTA and Bureau of Indian Affairs (BIA) often use these transfers to fund pedestrian and bicycle access to transit. Since inter-agency transfers must still be used for TE/TAP/TASA-eligible projects, this type of transfer is encouraged and has become more common in recent years.

In FY 2021, a cumulative $7.7 million in inter-agency transfers was made to federal agencies for TE/TAP/TASA-eligible activities. Table 5 indicates the breakout by state and agency. In comparison, FY 2020 saw $16 million in inter-agency transfers, and FY 2019 saw $24 million.

Inter-Program Transfers

In contrast to inter-agency transfers, inter-program transfers allow funding to be transferred to another FAHP and used for non-TE/TAP/TASA eligibilities. For example, a transfer of funds to the National Highway Performance Program (NHPP) means that former TE/TAP/TASA funding could be used to build a freeway.

Most inter-program transfers from TE/TAP/TASA are to STBG, which is the most flexible program with a wide range of eligibilities. Theoretically, a transfer to the STBG program could be used to construct a bike lane or a sidewalk, as both are STBG eligibilities. While some states use funds transferred to STBG to support walking and biking infrastructure, it is exceedingly rare. Apart from a few states, most states almost exclusively use STBG funds to build roads, bridges and highways, not TE/TA-eligible projects. An additional report on transferred funds would be needed to track the ultimate fate of these dollars. Under the FAST Act, several states including Wisconsin transferred the full allowable amount, or 50% of statewide funds, to STBG each year.

As shown in Table 6, in FY 2021, a cumulative $118 million in inter-program transfers was made: $109 million to STBG and $9 million to the NHPP. In FY 2021, 100% of inter-program transfers were made from TASA funds.

TASA: In FY 2021, $118 million was transferred by 16 states to the STBG/NHPP, which accounts for 16% of the total 2021 apportionment.

What do TASA Changes Mean for Transfers?

What do changes to TASA under the BIL mean for transfers?

- Under the BIL, transfers are extremely limited.
- States are required to demonstrate a robust competitive process and offer technical assistance to eligible entities applying for and implementing TA funds.
- Requests to transfer funds must be certified by FHWA.
- No transfers can be made in FY 2022.

Metropolitan Planning Organization Uses of TASA Funds

A provision included in the FAST Act allows up to half of the funds allocated by population to areas with more than 200,000 people to be used for STBG program-eligible projects. In other words, half of the funds to large metropolitan areas could be spent on roads, highways, bridges or any other STBG program eligibility, including trails, walking, biking, streetscaping, etc. This provision is not considered a transfer by FHWA. However, the provision does allow these funds to be used to fund non-TA-eligible projects covered by STBG, much like inter-program transfers.

Table 5: Inter-Agency Transfers of TE/TAP/TASA, FY 2021

State	TE	TAP	TASA	To Fund	Total
California	$0	$0	$24,000	BIA	$24,000
Colorado	$0	$0	$200,000	FTA	$200,000
District of Columbia	$0	$0	$140,800	FLH*	$140,800
District of Columbia	$0	$175,603	$24,397	NPS	$200,000
Georgia	$0	$75,979	$2,580,974	FTA	$2,656,953
Hawaii	$0	$384,053	$2,329,601	FTA	$2,713,654
Maryland	$0	$0	$1,147,776	NPS	$1,147,776
Minnesota	$0	$0	$79,261	BIA	$79,261
New Mexico	$0	$0	$42,720	FTA	$42,720
Oregon	$24,594	$0	$0	FTA	$24,594
Washington	$0	$0	$487,240	FLH*	$487,240
			Total		
BIA	**$0**	**$0**	**$103,261**		
FLH	**$0**	**$0**	**$628,040**		
FTA	**$24,594**	**$460,032**	**$5,153,295**		
NPS	**$0**	**$175,603**	**$1,172,173**		
Total by funding source	**$24,594**	**$635,635**	**$7,056,768**		
Total Transfer					**$7,716,997**

**FLH: Federal Lands Highway*

Table 6: Inter-Program Transfers of TE/TAP/TASA, FY 2021

State	TE	To Fund	TAP	To Fund	TASA	To Fund	Total
Arizona	–		–		$7,890,154	STBG	$7,890,154
Connecticut	–		–		$4,225,202	STBG	$4,225,202
Georgia	–		–		$16,265,396	STBG	$16,265,396
Iowa	–		–		$4,694,705	STBG	$4,694,705
Louisiana	–		–		$2,712,733	STBG	$2,712,733
Missouri	–		–		$9,318,126	STBG	$9,318,126
Nevada	–		–		$1,279,660	STBG	$1,279,660
New Hampshire	–		–		$1,000,000	STBG	$1,000,000
New Mexico	–		–		$2,200,000	NHPP	$2,200,000
New York	–		–		$6,806,077	NHPP	$6,806,077
North Dakota	–		–		$1,659,884	STBG	$1,659,884
Oklahoma	–		–		$6,510,146	STBG	$6,510,146
South Carolina	–		–		$7,578,582	STBG	$7,578,582
Texas	–		–		$38,911,748	STBG	$38,911,748
Utah	–		–		$2,593,756	STBG	$2,593,756
Wisconsin	–		–		$4,370,849	STBG	$4,370,849
CMAQ*	**$0**		**$0**		**$0**		
HSIP	**$0**		**$0**		**$0**		
NHPP	**$0**		**$0**		**$9,006,077**		
STBG	**$0**		**$0**		**$109,010,941**		
STP	**$0**		**$0**		**$0**		
Total by Funding Source	**$0**		**$0**		**$118,017,018**		

**CMAQ: Congestion Mitigation and Air Quality*

PROGRAM ANALYSIS

This chapter presents major findings from the self-reported programming data collected from state departments of transportation (DOTs). The funding levels represented in this section are programming numbers, not obligations. These numbers are obtained through a voluntary survey of state DOTs. Prior to 2013, this report had full representation from states, and thus the report provided a complete picture. Although this current analysis represents data submitted by only 31 states and the District of Columbia, the overall trends still hold true.

The Project List

Programmed projects are those approved to receive funding by individual states.[6] The Transportation Alternatives Data Exchange (TrADE) project database now spans 30 fiscal years of Transportation Enhancements (TE), Transportation Alternatives Program (TAP) and Transportation Alternatives Set-Aside (TASA) programming. Table 4 indicates that the cumulative level of programming for fiscal year (FY) 1992 through FY 2021 is $16.1 billion, representing 77% of all apportionments.

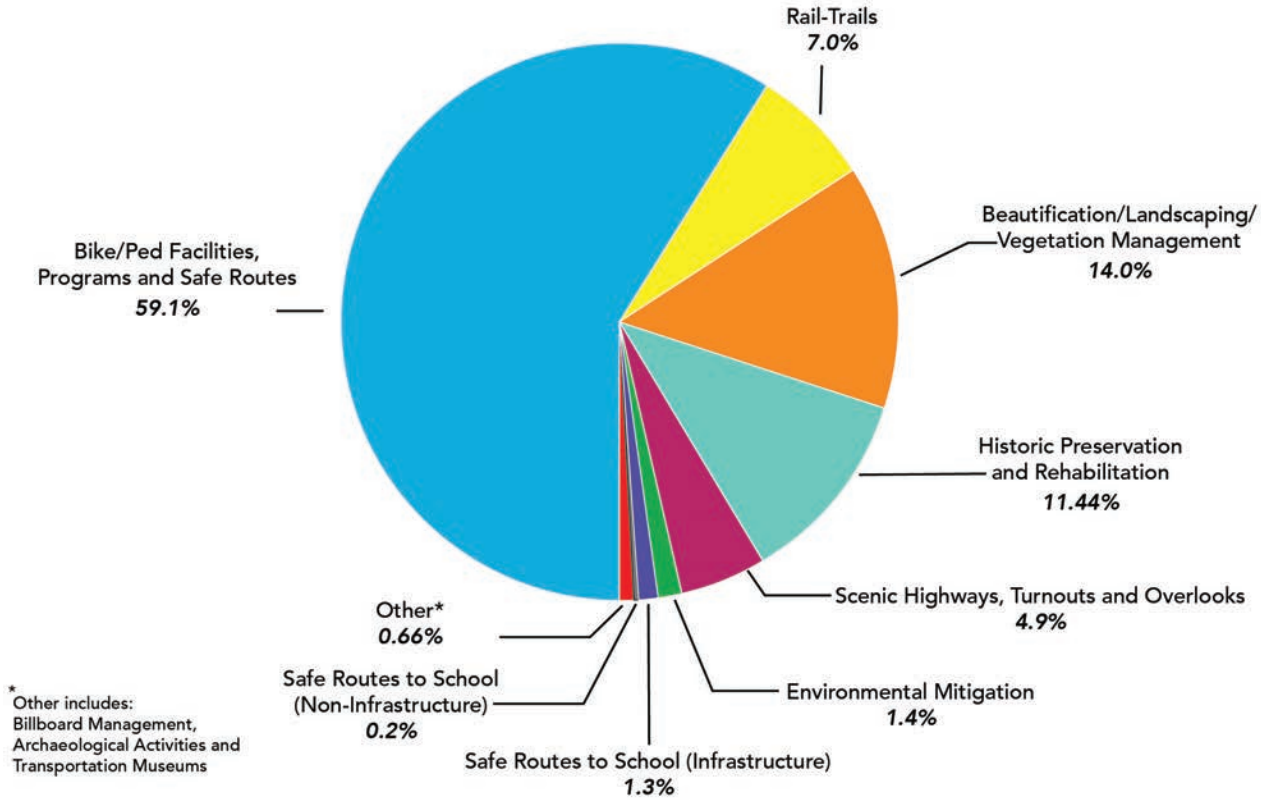
Future Programming: The programming data also show that seven states have selected projects for future fiscal years. The database now has 334 programmed projects worth $216 million in federal funding. The future programming data suggest that there are projects in the design and development stages planned for future years; however, the actual federal funding level of these projects will be higher because some projects do not yet have funding levels fixed.

Findings by Eligibility

Over the years, as TE evolved into TAP and then was renamed TASA, the categories of eligible projects changed as well. For the purpose of comparison, this analysis groups similar TE, TAP and TASA eligibilities. For instance, the TE activity titled "pedestrian and bicycle facilities" was combined with the TAP/TASA eligibility of the same name. Also, "landscaping and other scenic beautification" was combined with "vegetation management."

While acknowledging that there are differences between these eligibilities, the categories are similar enough that grouping them serves the purpose of identifying the types of projects being funded. Figure 9 illustrates the distribution of funding by eligibility through FY 2021.

Figure 9: Distribution of Federal Funding by TE/TAP/TASA Eligibility Grouping, FYs 1992–2021



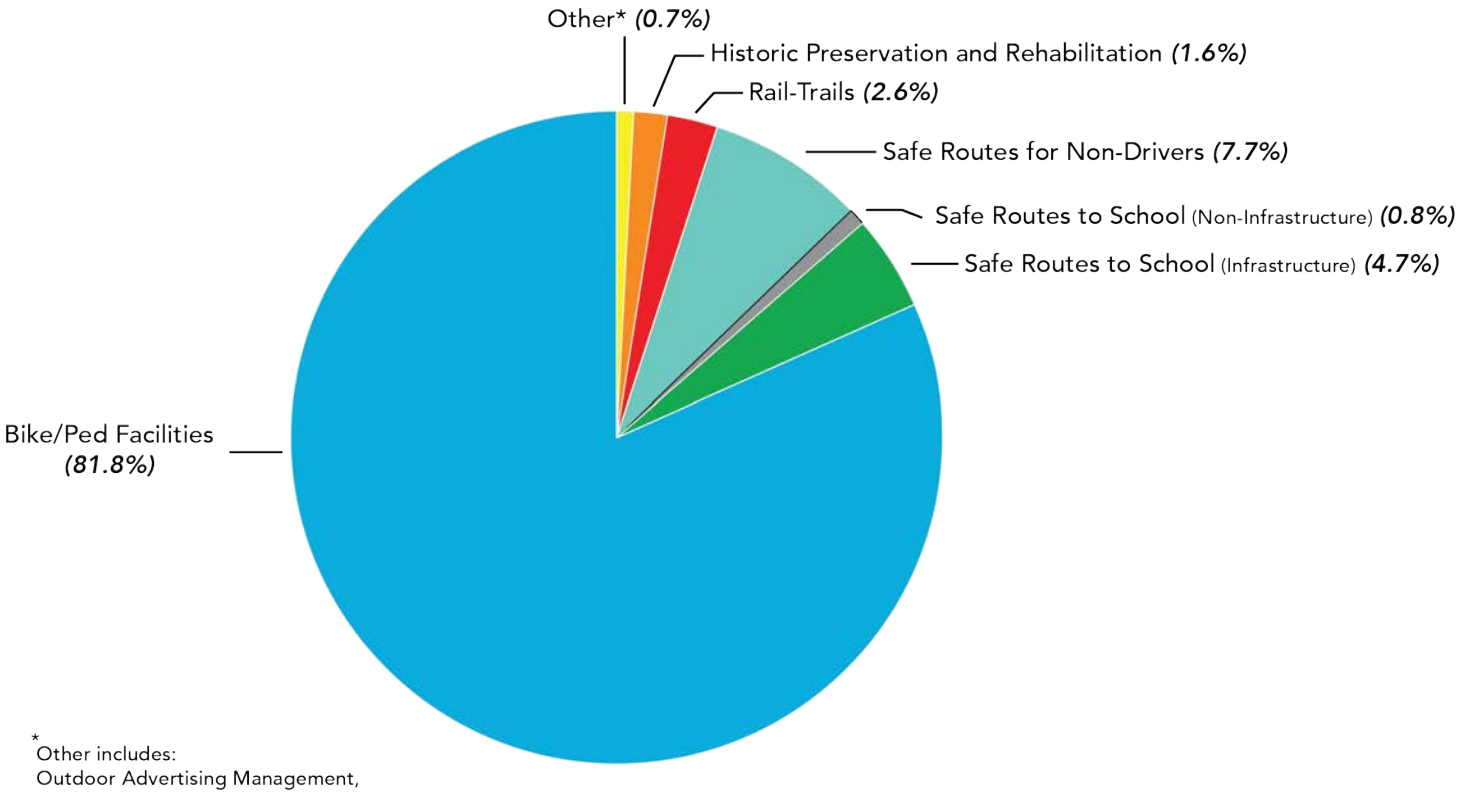
To see Figure 8 for an individual state, visit **railstotrails.org/policy/trade/states**.

The percentages have shifted only slightly from previous years, and the ranking of categories in order of expenditures has not changed. Pedestrian and bicycle facilities still account for the majority of all programmed funding at 59.1%. Beautification continues to be the second-largest category of spending at 14%. Historic preservation and rehabilitation of transportation structures is the third-largest eligibility category, with 11.5% of programmed funding. Rail-trails, while a specific type of pedestrian and bicycle facility, are categorized separately and account for 7% of funding, followed by scenic highways, turnouts and overlooks with 4.9% of all programmed funding.

The remaining categories, including environmental management, billboard management, archaeology and transportation museums, and safe routes to school, have received only very small shares of the total combined TE, TAP and TASA funding from FY 1992 through FY 2020.

Figure 10 illustrates the distribution of funding across seven categories, including safe routes to school, over the last eight fiscal years. The pedestrian and bicycle facilities category continues to receive the greatest portion of funding, with 81.8% of TA funding. Percentages for most categories shifted only slightly in FYs 2014 to 2021 compared to FYs 2013 to 2020. Compared with last year, safe routes for non-drivers funding increased (from $92 million to $196 million), and funding for rail-trails increased (from $42 million to $67 million). Pedestrian and bicycle facilities funding increased from $1.7 billion to $2.08 billion, and safe routes to school infrastructure funding increased from $102 million to $121 million.

Figure 10: Distribution of Federal Funding by TA Activity, FYs 2014–2021



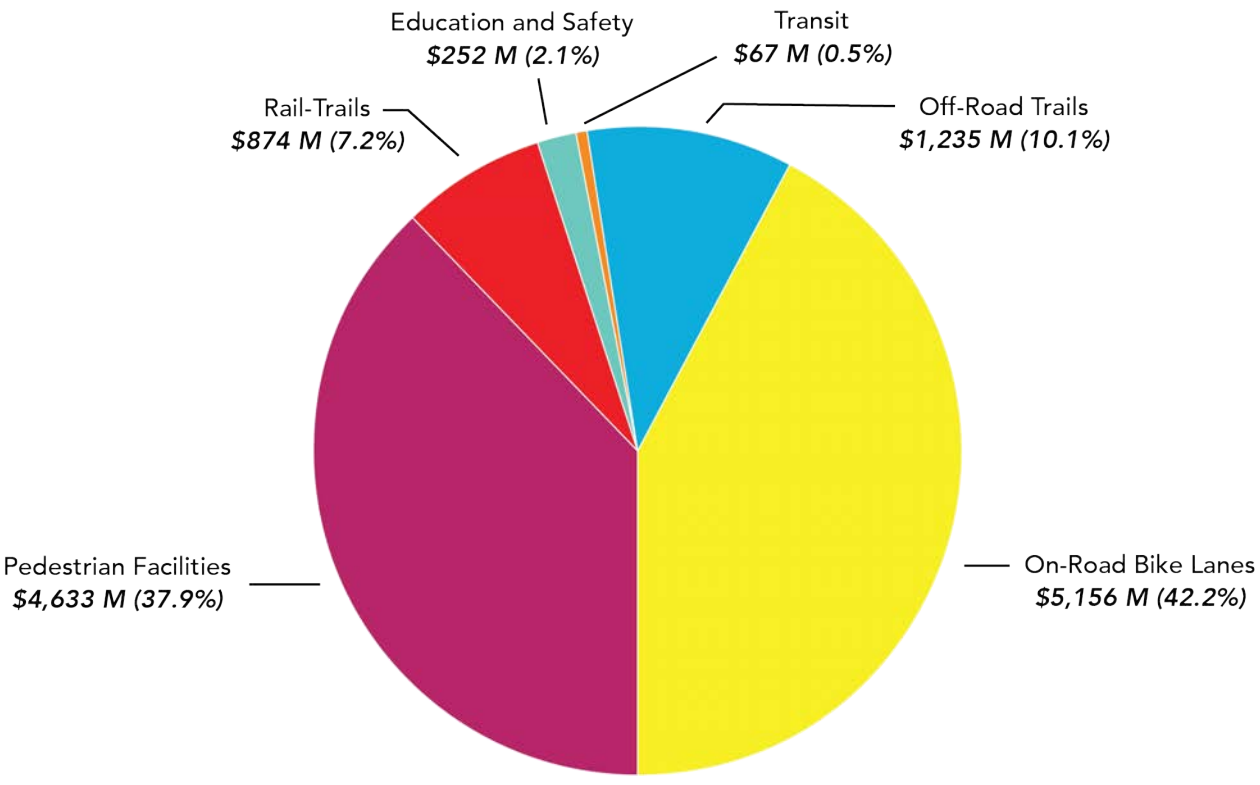
*Other includes: Outdoor Advertising Management, Scenic Turnouts and Overlooks, Vegetation Management, Stormwater Management

Bicycle and Pedestrian Project Subtypes

Because bicycle and pedestrian facilities comprise the majority of programmed TE, TAP and TASA funding, TrADE also tracks funding of subtypes within this activity. The subtypes are: pedestrian, off-road trails, on-road bike lanes, rail-trails, transit, and education and safety.

Figure 11 depicts the distribution of federal programmed funding between the bicycle and pedestrian subtypes. The percentages shifted only slightly from last year, and the order of distribution did not change. On-road bicycle lanes (42.2%) and pedestrian facilities (37.9%) received the highest and second-highest shares of programmed funding across these categories, followed by off-road trails (10.1%) and rail-trails (7.2%).

Figure 11: Distribution of Funding Across Projects With Designated Bike and Pedestrian Subtypes, FYs 1992–2021



Future Programming

States programmed 334 projects for future years (FY 2022 to FY 2027), though these are subject to change. The total federal dollar amount for these projects is $216 million. Bicycle and pedestrian projects and safe routes for nondrivers projects together account for 85%—or a large majority—of future programmed projects. The next-largest categories are safe routes to school infrastructure and noninfrastructure, accounting for 10% of the total. Recreational trails and rail-trails account for 1.5% each, with the remaining 2% to be spent on historic preservation and vegetation management.

While data on future programming provide an interesting glimpse into future projects that are slated for funding, they are not an accurate indicator of future trends, as most states did not report future programming of TASA funds.

Average Federal Awards and Match Rates

Project-level data provide important insight into typical TE/TAP/TASA projects across the country. Table 7 shows that as of FY 2021, the average federal project award was $776,381, ranging from $145,535 in Montana to $3,094,746 in Rhode Island.

The Federal-aid Highway Program (FAHP) requires that federal funds be matched with monies from another source. These funds are often referred to as the non-federal share of project costs, or non-federal match. In most cases, the federal government can reimburse no more than 80% of the eligible costs of an FAHP project, including TE/TAP/TASA projects. At a minimum, 20% of the funding must come from non-federal sources, including state or local dollars. Recreational Trails Program (RTP) funds are an exception; other federal dollars can be used to provide the match on RTP projects, and RTP dollars can be used to provide part of the match on trails projects funded from other federal sources.

Cumulatively, the average national match rate was 27%. As in previous years, this rate surpassed the federal share required under Section 120 of Title 23, United States Code. Table 7 shows that 38 states had a match rate higher than 20%, and 17 of these states had a rate higher than the national average, with Maryland having the highest average match rate at 54%.

Overall, this higher national match rate is attributable to state policies that encourage or require a higher nonfederal 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 nonfederal share.

With TE, the ratios were allowed to vary on a project-to-project basis as long as the program as a whole reflected the 20% match rate. However, this was not the case between 2012 and 2021 under the Fixing America's Surface Transportation Act of 2015 (FAST Act) and Moving Ahead for Progress in the 21st Century Act of 2012 (MAP-21). Both surface transportation bills require a match. However, 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 a state. States eligible for the sliding scale include Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming.[7]

These changes to the innovative financing and programmatic match pieces of the federal legislation have increased barriers to using TAP and TASA funds and may result in fewer TASA projects taken on by communities. Without the option of other matching sources, communities often struggle to come up with those funds; this is particularly true in low-income communities.

The Bipartisan Infrastructure Law (BIL) includes a change to match requirements that will again give states flexibility to vary the match on a project-to-project basis as long as the average meets a state's non-federal match. This change could help provide more equitable access to TA funds, particularly for low-income communities that may have difficulties fulfilling high match requirements

Table 7: Cumulative Programmed Federal Awards and Matching Funds, FYs 1992–2021

State	Project Count	Total Federal Awards	Average Federal Award	Matching Funds	Match Rate
Alabama	1,781	$368,838,373	$207,096	$84,612,096	18.66%
Alaska	498	$180,258,837	$361,966	$22,737,124	11.20%
Arizona	509	$217,187,030	$426,694	$59,311,855	21.45%
Arkansas	879	$195,307,494	$222,193	$84,857,579	30.29%
California	1,917	$1,267,635,331	$661,260	$761,980,818	37.54%
Colorado	730	$184,313,399	$252,484	$81,534,517	30.67%
Connecitcut	273	$206,286,330	$2,444,436	$52,701,795	20.35%
Delaware	278	$83,896,608	$301,786	$45,765,216	35.30%
District of Columbia	146	$52,398,351	$358,893	$11,356,931	17.81%
Florida	3,738	$1,187,952,027	$989,397	$110,943,669	8.54%
Georgia	918	$397,169,273	$432,646	$104,487,953	20.83%
Hawaii	52	$92,549,397	$1,779,796	$28,782,268	23.72%
Idaho	208	$109,821,245	$527,987	$15,557,128	12.41%
Illinois	962	$737,257,849	$766,380	$215,677,869	22.63%
Indiana	774	$498,046,576	$643,471	$176,561,333	26.17%
Iowa	1,324	$379,483,230	$286,619	$266,916,029	41.29%
Kansas	617	$268,966,380	$1,159,297	$121,569,381	31.13%
Kentucky	940	$247,110,212	$262,883	$72,607,506	22.71%
Louisiana	548	$215,212,599	$392,724	$27,505,596	11.33%
Maine	492	$114,077,226	$682,988	$42,551,521	27.17%
Maryland	420	$330,156,513	$786,087	$388,342,724	54.05%
Massachusetts	431	$242,375,199	$1,621,542	$73,298,533	23.22%
Michigan	2,129	$705,394,292	$977,746	$343,000,194	32.72%
Minnesota	1,044	$466,317,874	$1,045,218	$315,278,046	40.34%
Mississippi	512	$233,145,849	$1,395,738	$47,627,116	16.96%
Missouri	1,041	$277,544,406	$266,613	$118,003,056	29.83%
Montana	911	$132,582,075	$145,535	$35,417,666	21.08%
Nebraska	650	$119,914,683	$184,484	$62,564,890	34.29%
Nevada	264	$129,497,251	$490,520	$45,932,277	26.18%
New Hampshire	263	$91,830,994	$349,167	$30,040,126	24.65%
New Jersey	559	$271,059,099	$484,900	$81,770,480	23.18%
New Mexico	627	$208,090,816	$670,231	$65,668,405	23.99%
New York	756	$659,994,081	$873,008	$399,320,363	37.70%
North Carolina	1,303	$570,307,430	$437,688	$137,364,396	19.41%
North Dakota	409	$85,664,820	$503,964	$30,923,002	26.52%
Ohio	1,252	$649,574,886	$1,066,503	$201,663,593	23.69%
Oklahoma	434	$164,664,652	$379,412	$40,717,259	19.83%
Oregon	344	$187,351,618	$1,252,781	$70,941,925	27.47%
Pennsylvania	1,179	$585,857,163	$1,006,650	$118,525,696	16.83%
Rhode Island	288	$154,347,548	$3,094,746	$34,921,514	18.45%
South Carolina	884	$197,127,492	$2,315,397	$87,767,637	30.81%
South Dakota	288	$73,232,694	$891,239	$33,545,401	31.42%
Tennessee	884	$421,881,333	$1,612,513	$100,227,768	19.20%
Texas	951	$1,268,272,802	$1,333,620	$336,261,174	20.96%
Utah	268	$112,856,588	$421,107	$29,819,148	20.90%
Vermont	467	$76,815,992	$419,442	$23,904,699	23.73%
Virginia	1,072	$471,590,271	$439,916	$368,228,684	43.85%
Washington	1,059	$291,603,036	$861,637	$166,377,183	36.33%
West Virginia	647	$107,842,132	$166,680	$28,495,591	20.90%
Wisconsin	761	$229,989,549	$302,220	$63,866,681	21.73%
Wyoming	490	$83,865,317	$638,126	$20,296,596	19.49%
Subtotal (without FHWA)	**40,171**	**$16,604,516,220**	**$776,381**	**$6,288,130,006**	**27.47%**
FHWA-only 2020	**314**	**$129,537,734**			

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, though the amount required varies by state. In some states, projects are considered more competitive if applicants can provide a match greater than 20%, and others, like Maryland, require a match greater than 20% to make funding available to more projects. In other states (e.g., Florida, New Jersey), toll credits supplement sponsor contributions to meet non-federal share requirements. By working across state agencies to fund TA projects, the Pennsylvania DOT depends upon state-generated Department of Conservation and Natural Resources funds to meet the match requirement, eliminating the match as a barrier for project sponsors. This approach has made funding more accessible to communities across the state.

All states are allowed by law to count the value of donations (i.e., cash, land, materials or services) toward the non-federal share. While some states recognize these in-kind donations as part of the non-federal share, others do not. State-specific policies can be found on the TrADE website: **railstotrails.org/policy/trade/states**.

States report non-federal share information 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, while others do not. On a project level, nearly 70% of all projects since 1992 have had a match rate of greater than 20%.

Programming Analysis Caveats

Every effort possible was made to collect accurate project-level data from states. However, there are a few inconsistencies in the dataset. For example, for 22 states, the programming figures are lower than actual obligations. Possible reasons for this could include the following:

- Older project data were not completely reviewed or updated (some states report an inability to track older, Intermodal Surface Transportation Efficiency Act (ISTEA)-era projects).
- The project data provided by state DOTs did not include all selected projects.

Additionally, 19 states have programming totals that are higher than their available balances—the amount available before obligations were made during FY 2019. Possible reasons for this include the following:

- States program more than their apportionments with the expectation that some projects will be dropped or some work bids will come in lower than the initial cost estimate.
- Older project data were not updated, especially for canceled projects.
- Future-year projects that are in the engineering or design phases are included with current projects.
- States may combine a project with other federal or state funding but not differentiate these in their data submission.

CONCLUSION

In the 30 years since the landmark Intermodal Surface Transportation Efficiency Act (ISTEA) legislation ushered in a multimodal approach to federal transportation funding, states have, over time, increasingly separated out into two distinct groups: 1) states with a long-standing commitment to Transportation Enhancements (TE), Transportation Alternatives Program (TAP) and now Transportation Alternatives Set-Aside (TASA) projects; and 2) states that are divesting from the program through transfers, inactivity or allowing funds to lapse. An examination of the programmed spending performance of individual states indicates that many states continue to exhibit a commitment to use these funds to expand travel choice, strengthen the local economy, enhance quality of life and protect the environment.

Obligations

In fiscal year (FY) 2021, the combined obligation rate for TE, TAP and TASA was 60%, a decrease from 103.7% in FY 2019 as states no longer faced increased pressure to obligate funds to avoid rescissions. However, states must continue to actively obligate funds at a higher rate to spend down the high available balances and meet the growing demand for safe places to walk and bike, particularly considering the 70% average increase to TA under the Bipartisan Infrastructure Law (BIL).

Transfers, Lapsing and Rescissions

Under the Fixing America's Surface Transportation (FAST) Act, states could continue to transfer up to half of all Transportation Alternatives (TA) funds out of the program, as originated in the Moving Ahead for Progress in the 21st Century Act (MAP-21). This legislative loophole has led to a significant rise in the number of inter-program transfers, and many states are taking advantage of these policy changes to disinvest from the program. While some states have spent transferred funds on TA-eligible projects, many more do not track the final project designation, or they use funds for road construction. Nevertheless, the fact that $1.6 billion has been transferred since 2012 is staggering and reflects the prioritization of roadway projects over walking and biking infrastructure, though these TA eligibilities have a stronger return on investment.

In 2021, $118 million was transferred as part of the inter-program transfers, while only $7.7 million was due to inter-agency transfers that ultimately build TA-eligible projects. Going forward, states will have a more difficult time transferring funds due to provisions in the BIL that require a competitive process and Federal Highway Administration (FHWA) approval prior to moving TA funds into other programs.

Over the last four years, 12 states have lapsed $46 million in TAP funding that cannot be regained. States could simply obligate funds to prevent lapsing from occurring—the $46 million in TAP funding that has lapsed reflects neglect on the part of state departments of transportation (DOTs). States must regularly obligate funds and act proactively to avoid lapsing funds.

While no rescissions have taken place since 2017, rescission rates per state can be considered a reflection of a state's historically low obligation rates leading to a buildup of unobligated funds over many years—a buildup too high to fully obligate, leading to more funds being lost via a higher rescission. Disappointingly, states did not take advantage of the FAST Act's repealed rescissions to continue diligently obligating funds to ensure they are used for the intended purpose. Retaining high unobligated balances could lead to funding vulnerabilities in future years.

Taken together, inter-program transfers, lapsing and rescissions represent a collective "leaky bucket" exacerbated by MAP-21 and continued in the FAST Act, providing holes through which TE/TAP/TASA funds can be lost or used for non-eligible projects (e.g., building highways).

While policy changes in the BIL worked to eliminate some of these holes in the bucket, it is up to states to ensure that funds do not lapse and are used as intended—to advance active transportation, improve quality of life and protect the environment.

Looking Ahead

Since 1992, TA, formerly known as TE, has provided more than $16.4 billion in project awards to support the development and implementation of thousands of trail and active transportation projects in hundreds of communities. Despite the positive impact of TA and a 70% funding increase in recent legislation, the amount of funds available is not nearly enough to satisfy the demand across the United States, and many TA projects go unfunded each year.

Throughout the initial five-year duration of the FAST Act from FYs 2016 to 2020, demand for TA funds grew 124%.[8] However, the amount of funds awarded and available during this same period remained well below the demand. Only 24% of the $15.5 billion requested by communities was funded over the initial five years of the FAST Act, leaving nearly $11.7 billion (76%) in TA-eligible project requests unfunded.

In the fall of 2021, the Infrastructure Investment and Jobs Act, also known as the BIL, was passed. The bill replaced the FAST Act and reauthorized existing surface transportation programs, including TA, which received a 70% average increase over the next five years, providing states with a new opportunity to address some of this unprecedented demand.

States are more likely to benefit from this increase when they have a pipeline of projects to be funded. Michigan and other states have been able to prepare projects for TA grant funding several years in advance, long before the funding is available to be obligated. Having projects in the pipeline increases the speed at which a state can obligate funds, particularly when program changes result in more available funding.

Alongside the 70% average increase in funds, the BIL allows states to use up to 5% of funds for the creation and implementation of TA technical assistance programs, which may help communities with the greatest needs and limited capacity to effectively access TA funds. The BIL also increases the share of funds suballocated to substate areas based on population from 50% to 59%. In addition, greater flexibility for matching funds may allow states to average the match rate across all projects rather than applying the same match rate across a state. Finally, the latest iteration of TA makes it more difficult to transfer funds away from the program, instead channeling money toward its intended purpose.

Since the inception of dedicated TE/TA programs, states have been able to make smart investments in trails, walking and biking with strong, proven returns, creating jobs and improving access to recreation and active transportation opportunities. This new guidance marks a significant shift in the program, and the continuation of TA under the BIL has the potential to increase access to safe and convenient walking and biking facilities across the country. States must now renew their commitment to TA, work toward meeting the demand for funds, and ensure that many more places have the tools they need to complete plans for connected active-transportation systems through concentrated and strategic funding to realize the full potential of their TA investments.

NOTES

1 Torsha Bhattacharya, Ph.D.; Kevin Mills, J.D.; and Tiffany Mulally, Ph.D., *Active Transportation Transforms America: The Case for Increased Public Investment in Walking and Biking Connectivity* (Washington, D.C.: Rails-to-Trails Conservancy, 2019). https://www.railstotrails.org/media/847675/activetransport_2019-report_finalreduced.pdf

2 A state may opt out of the Recreational Trails Program (RTP) set-aside prior to receiving funding for each fiscal year before state apportionments are made.

3 The planning, designing or construction of boulevards in the right-of-way of former Interstate System routes or other divided highways is also eligible; photos courtesy of Transportation Alternatives Data Exchange (TrADE).

4 A list of state department of transportation (DOT) Transportation Alternatives Coordinators can be viewed at http://www.fhwa.dot.gov/environment/transportation_alternatives/state_contacts.cfm.

5 "Funding Federal-aid Highways," U.S. Department of Transportation Federal Highway Administration Office of Policy and Governmental Affairs, published January 2017, https://www.fhwa.dot.gov/policy/olsp/fundingfederalaid/02.cfm.

6 Project lists from individual states can be found in the Statewide Transportation Improvement Plans (STIP) published by each state to provide the public with information on capital expenditures related to transportation.

7 "Sliding Scale Rates of Federal-aid Participation in Public Lands States—Rates for Projects Not on Interstate System," U.S. Department of Transportation Federal Highway Administration, published March 1992, https://www.fhwa.dot.gov/legsregs/directives/notices/n4540-12.cfm.

8 Demand for funds is calculated using "aggregate costs for applications received" data from the Federal Highway Administration's Transportation Alternatives Annual Reports, available at https://www.fhwa.dot.gov/environment/transportation_alternatives/annual_reports.

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