RAILS TO TRAILS CONSERVANCY

Transportation Alternatives Spending Report

FISCAL YEARS 1992–2025

Better Transportation Alternatives Implementation Key to Narrowing Gap of Unmet Demand for Safe Routes to Walk and Bike

ABOUT THE PROGRAM

The Transportation Alternatives Set-Aside (TASA) is the largest dedicated source of funding for trails, walking and bicycling in the United States. Since 1991, this program, formerly known as Transportation Enhancements (TE) and the Transportation Alternatives Program (TAP), has transformed the landscape of the country. The investment has established a foundation for the nation's active transportation system, with 42,500+ miles of multiuse trails and hundreds of developing trail and active transportation networks reaching every single state, alongside thousands of improved street facility projects that support biking and walking.

These investments in active transportation infrastructure—such as sidewalks, bike lanes and trail networks—increase mobility choices, improve safety, create strong, connected communities, provide economic opportunities and job creation, and save money from health benefits. Policy changes made to the program under the Infrastructure Investment and Jobs Act (IIJA) strengthened its impact, better aligning investment with growing demand across rural, suburban and urban communities.

The analysis of program spending in fiscal year (FY) 2025, the fourth year of implementation under IIJA, shows that while progress is being made, there is far more work to be done to meet the nation's needs for safe routes to walk and bike. This includes bolstering investment, transparency and accountability and addressing the unique needs of states with limited resources.

LESSONS FROM FY 2025

More Funding Represents More Progress But Still Falls Short of Demand

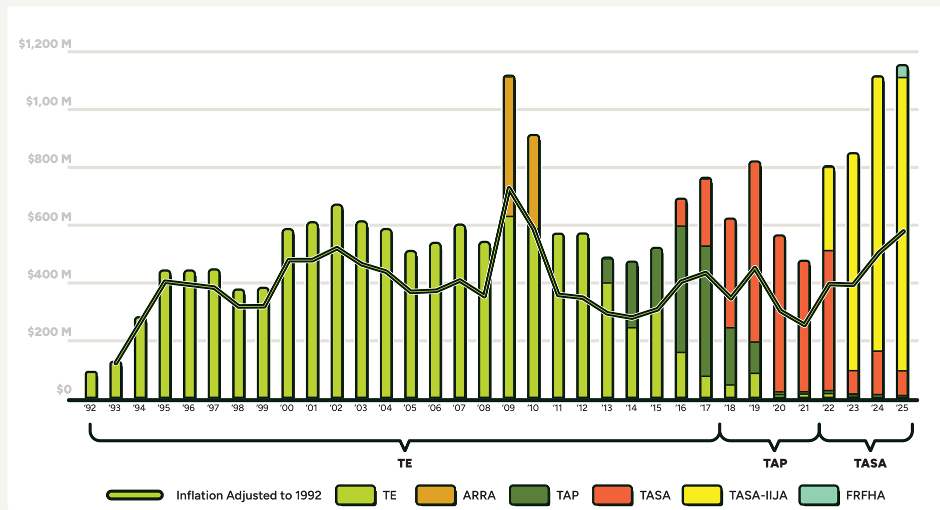
IIJA provides states with a nearly 70% increase to the Transportation Alternatives Set-Aside (TASA) on average over five years beginning in FY 2022—restoring the buying power of the program after cuts nearly a decade prior and creating new opportunities to help meet the unprecedented demand for trails and other walking and biking infrastructure. Currently, the program is oversubscribed by a ratio of 4.5 to 1.

In FY 2025, $1.39 billion was apportioned to TA projects, a 3% increase over FY 2024. This amount will grow to $1.42 billion in FY 2026 but will still fall short of demand. For comparison, roughly 4.5 times the amount of funds were requested through TA applications.

Despite the increase in apportionment through IIJA, it's clear that the available funds are not keeping up with demand. A total of $1.08 billion was granted to TA projects in FY 2025, of which 78% was obligated, or committed to projects, nationwide. More available funding is providing for more project investments but is still falling significantly short of demand.

Figure 1 shows that inflation has eroded the purchasing power of those dollars. Prior to FY 2025, obligations were highest in 2009 when American Recovery and Reinvestment Act (ARRA) funds were used for the program in addition to TAP funds. Funding for the program and/or obligation rates will need to grow substantially to provide comparable purchasing power, much less meet the burgeoning demand for active transportation networks.

FIGURE 1: *TE/TAP/TASA Obligations by Year, FYs 1992–2025*



Transfers Continue to Undermine Transportation Alternatives Funding

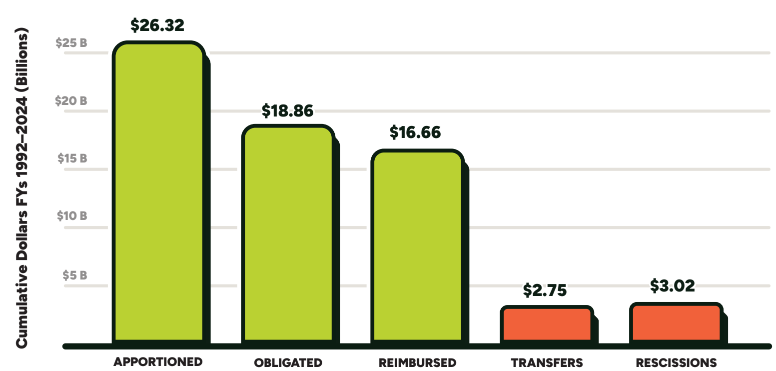
Under IIJA, states are required to demonstrate a robust competitive process and offer technical assistance to eligible entities applying for and implementing TA funds—before transferring funds away from TA eligibilities. Nine states transferred a total of about $94 million in FY 2025, extending a pattern over the past three years in which transfers to purposes outside TA eligibilities occured at about half the rate of the pre-IIJA period. This pattern represents progress, notably reducing transfers but falling short of the expectation that IIJA reforms would make transfers a rare exception. In the next reauthorization, there is a need for greater transparency and accountability to ensure that waivers from the restriction are not used to circumvent the core expectation that TA funds be used for eligible purposes.

Local Match Remains an Obstacle

IIJA added flexibility for matching funds requirements, allowing states to average a 20% match across their full portfolio of TA projects rather than for each project. Nevertheless, places with limited capacity—including many rural communities—have continued to struggle to identify matching dollars to unlock TA. Match is one of the most cited barriers to accessing federal funds for active transportation projects. To address this, several states are providing their own dollars as local match assistance, in some cases providing full support for project costs. Other states are using funds from qualifying federal sources like the Highway Safety Improvement Program (HSIP) to match TA funding.

Match remains problematic in most states because of insufficient flexibility, funding or both. As part of the solution, Congress should: 1) lower match requirements; 2) include provisions so that local governments can expand eligibilities for matches using HSIP funds; and 3) allow states to use these funds to cover the non-federal share for TA projects without having to overmatch on other TA projects.

FIGURE 2: *Cumulative TE/TAP/TASA Financial Summary, FYs 1992–2025*



More Technical Assistance Needed

States now may use up to 5% of their annual TA allocation to "provide technical and application assistance" and to offset the administrative costs of TA. States are using the funds to develop TA program materials, define the scope and cost of projects and prepare applications, ensuring that applicants have the capacity to effectively address active transportation needs in their communities. TA implementation tends to be most successful in states that make the application process broadly accessible despite the capacity disparities of applicants to compete for funds. In addition, many states are providing technical assistance using other available funds and may not be tapping into TA. In the next reauthorization, Congress should expand the opportunity for states to use TA funds for technical assistance to make the application process more broadly accessible.

Ambitious Connectivity Projects

Communities across the country are eager to develop connected active-transportation networks that provide safe routes to the places people want to go—improving safety, public health, and economic and mobility outcomes. This has led several states to increase the maximum size of project awards—made possible by the increase in funding through IIJA—to facilitate awards focused on strategic connectivity. Average award size is also increasing across states. The average award is now $1.87 million compared to $776,381 in FY 2021, the last year of the program pre-IIJA implementation.

Under IIJA, increased funding and policy reforms have enabled states and regions to accelerate the development of these facilities in response to growing demand. Congress must ensure that the next reauthorization of TA dollars builds upon IIJA's beneficial policy reforms and increases access to trails and other safe and convenient walking and biking facilities across the country.

Spending Analysis

From FY 1992 through FY 2025, Congress distributed $26.32 billion to the states for TE, TAP and TASA projects. Figure 2 demonstrates the cumulative spending analysis of the program since its inception over 30 years ago. The red bars represent funds that were lost from the program and no longer used for their intended purpose.

ABOUT TrADE

The Transportation Alternatives Data Exchange (TrADE) is operated by Rails to Trails Conservancy, the nation's largest active-transportation advocacy organization. TrADE helps stakeholders at the federal, state and local levels understand and make effective use of the Transportation Alternatives Set-Aside (TASA) program.

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