

Transportation Enhancements

Summary of Nationwide
Spending as of FY 2008



MAY 2009

Prepared by
National Transportation
Enhancements Clearinghouse

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

23 U.S.C. 133(d) (2)

ACKNOWLEDGEMENTS

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This publication would not be possible without the contributions of staff from state departments of transportation. The accuracy of the data they provide is crucial to the value of this report.

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Executive Summary

Transportation Enhancements: Summary of Nationwide Spending as of FY 2008 is a report prepared annually by the National Transportation Enhancements Clearinghouse (NTEC). This report provides an overview of how states spent Transportation Enhancement (TE) funds from fiscal year (FY) 1992 through the end of FY 2008. These dates span the period of time since TE was established as a dedicated funding source in the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. The TE program has been active for 17 years as of FY 2008.

NTEC uses benchmark figures to assess the status of TE spending at the national and state levels. Notable patterns within TE spending, including the distribution of these funds across the 12 eligible TE activities, are detailed beginning on page 20. This NTEC report provides an assessment of how TE funds are being used for the benefit of communities across the nation.

Spending Analysis

NTEC uses these six distinct phases of spending to evaluate how states use TE funds:

Cumulative Available: available funds are a 10% set aside of Surface Transportation Program (STP) funds plus funds from the Equity Bonus Program and the Revenue Aligned Budget Authority (RABA) that are distributed to the STP or the 2005 apportionment if it is higher than the current year, less amounts transferred. These data are collected at the state level from the Federal Highway Administration's (FHWA) Fiscal Management Information System (FMIS).

Programming: amount for selected/planned projects. NTEC collects these data from the states on a voluntary basis.

Obligations: the Federal government's legal commitment (promise) to pay or reimburse the States or other entities for the Federal share of a project's eligible costs. Data collected from FMIS.

Reimbursements: amount paid to sponsor for completed work. Data collected from FMIS.

Transfers: amount transferred from TE to other transportation programs. Data collected from FMIS.

Rescissions: legislation enacted by Congress that cancels the availability of budget authority previously enacted before the authority would otherwise expire. These funds must be returned to the Federal Government from the state's unobligated balance of funds. Data collected from FMIS.

Figure 1 on page 3 illustrates the status of the six funding phases at the national level. Over \$9.4 billion has been made available to the states for use on TE activities since 1992. Using data from NTEC's nationwide project listing, updated most recently in the spring of 2009, NTEC determined that state Departments of Transportation (DOTs) programmed 95% of cumulative available funds for more than 24,000 projects through FY 2008.

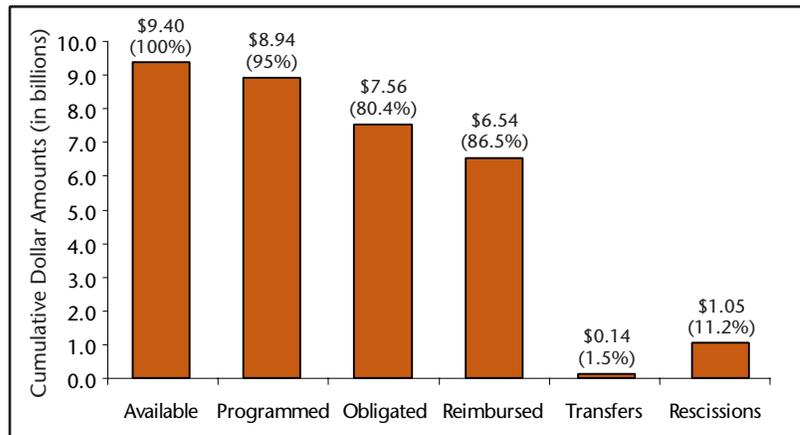
State DOTs cumulatively obligated 80.4% of available funds, a slight increase from the 80.1% obligation rate reported at the end of FY 2007. Reimbursements of obligated

funds through FY 2008 are at 86.5%, well up from 83.8% in FY 2007 and 82.3% in FY 2006.

These obligation and reimbursement rates are noteworthy because they are indicative of the relative progress with which projects move from selection to implementation. When contrasted with the programming rate, these also provide a measure of the lag between project selection and implementation.

In FY 2008, rescissions accounted for a \$98.5 million reduction in the cumulative available TE funds. The FY 2008 rescission differed from past rescissions in that the 2007 Energy Independence and Security Act required this rescission to be distributed proportionately among all Federal-aid highway programs, within a 10% margin. Past rescissions that some states disproportionately directed to TE, including \$246 million in FY 2007 alone, inflated the national TE cumulative obligation rate without adding any new projects. The FY 2008 obligation rates remain inflated due to these earlier rescissions.

Figure 1: Cumulative Transportation Enhancements Financial Summary: Available, Programmed, Obligated, Reimbursed, Transfers, and Rescissions. FY 1992 through FY 2008



Distribution of Funds Across the TE Activities

NTEC's national project data indicate that the distribution of funds across the 12 activities has changed only slightly since FY 1999*. Bicycle and pedestrian facilities, combined with rail-trails and bike/ped safety programs, comprise 56.4% of programmed funds between FY 1992 and FY 2008. Historic preservation and preservation of historic transportation facilities received 13.7% of TE funds. Landscaping and scenic beautification received 18.3% of TE funds. Together, these six categories account for 88.4% of programmed federal funds.

Conclusion

The high demand for TE funds and the variety and number of projects that have already been selected testify to the popularity of TE activities. As NTEC's project data show, many different types of projects are being funded across the 12 eligible activities. Nationwide TE spending has shown a gradual increase over the life of the TE program. However, TE's lower obligation and reimbursement rates relative to other Federal-aid highway programs, such as the National Highway System, indicate that state DOTs, FHWA divisions, and project sponsors still face considerable obstacles in implementing TE projects. State-specific hurdles, whether they be administrative priorities, political support, or sponsor preparedness, should be identified and remedied to more efficiently deliver TE projects to communities.

* 1999 was the first fiscal year to include a total of 12 possible TE activities.

Background and Introduction

The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) was the authorizing legislation that established a dedicated funding stream for a set of 10 newly defined TE activities under the Federal-aid Highway Program. Ten percent of Surface Transportation Program (STP) funds, plus 10% of the portion of Minimum Allocation funds that were distributed to the STP, were set aside for these activities. The dedication of a portion of Federal-aid highway funds specifically for TE demonstrated a significant shift in national transportation policy. Prior to ISTEA, only a few of these activities had been eligible for Federal-aid highway funding, and they were often excluded from the normal routine of planning and building transportation infrastructure. Under ISTEA, Congress ensured that funding would be available for the bicycle and pedestrian modes of transportation and for the preservation and enhancement of many of the nation's scenic, historic, and environmental resources that exist in a transportation context.

In 1998, Congress reauthorized Federal-aid surface transportation programs through the Transportation Equity Act for the 21st Century (TEA-21). The 10% set-aside for TE continued with Minimum Guarantee replacing Minimum Allocation funds. TEA-21 also authorized Revenue Aligned Budget Authority (RABA) funds, and 10% of the RABA funds apportioned as STP funds are also set aside for TE activities. Therefore, under TEA-21, TE funding levels increased by 40%. Two TE activities were expanded and two new TE activities were added to the list of eligible activities. The complete list is shown on pages 5-6. Furthermore, TEA-21 added a requirement that TE projects must relate to surface transportation. Twelve extensions were enacted after TEA-21 expired.

On August 10, 2005, Congress enacted the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Several small changes were incorporated into the statutory language of the 12 eligible activities. The list on pages 5-6 incorporates these changes. SAFETEA-LU continued the 10% set-aside for TE with Equity Bonus replacing Minimum Guarantee funds, but it additionally required that TE apportionments for each fiscal year meet or surpass FY 2005 funding levels. SAFETEA-LU will expire on September 30, 2009.

The majority of projects that use TE funds are small-scale projects with an average federal share of \$369,621. They are most often initiated at the local level by city or county governments or community-based organizations, all referred to as sponsors. Projects funded with TE dollars can also be initiated by state DOTs, other state agencies, federally-recognized tribal governments, or federal agencies.

Administration of TE Funds and Projects

Like other components of the Federal-aid Highway Program, TE activities are federally funded and state administered. Federal Highway Administration (FHWA) division offices provide guidance, stewardship, and oversight for the use of TE funds. FHWA disburses Federal funds to the States and the District of Columbia via formula apportionments. State DOTs administer apportioned TE funds. The FHWA division offices in each state determine project eligibility according to guidance developed by FHWA Headquarters, Office of Planning, Environment, and Realty. For a project to be eligible, federal law states that it must be included on the list of 12 eligible activi-

The 12 Transportation Enhancement Activities

The term Transportation Enhancement Activity means any of the following as they relate to surface transportation.



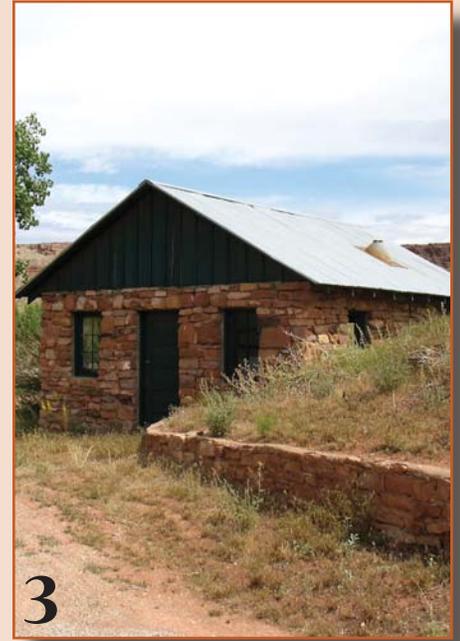
Pedestrian and bicycle facilities:

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



Safety and educational activities for pedestrians and bicyclists:

Programs designed to encourage walking and bicycling by providing potential users with education and safety instruction through classes, pamphlets, and signs.



Acquisition of scenic easements and scenic or historic sites, including historic battlefields:

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



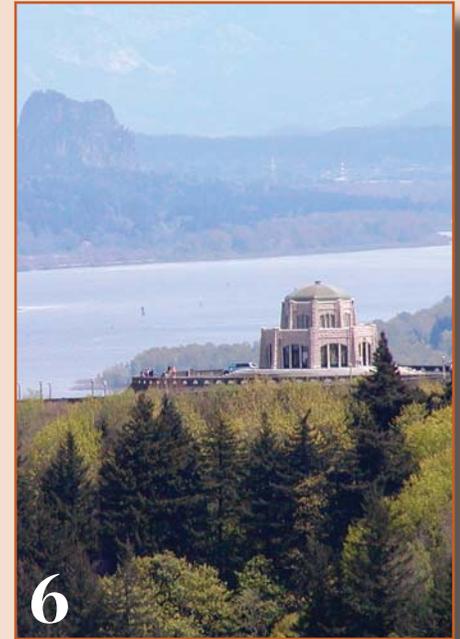
Scenic or historic highway programs including tourist and welcome center facilities:

Construction of turnouts, overlooks, visitor centers, and viewing areas, designation signs, and markers.



Landscaping and other scenic beautification:

Street furniture, lighting, public art, and landscaping along street, highways, trails, waterfronts, and gateways.



Historic preservation:

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



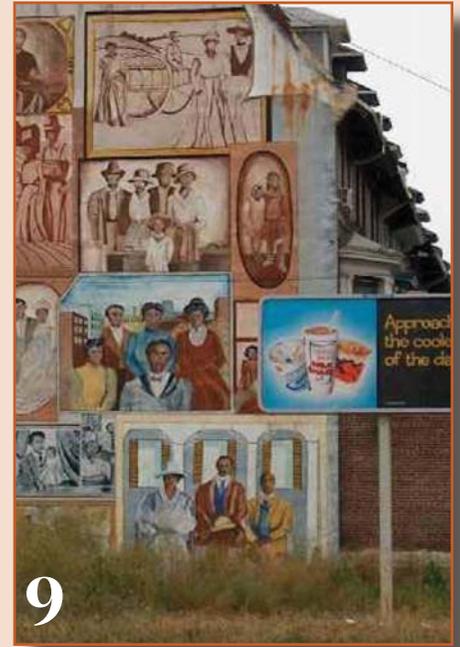
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Rehabilitation and operation of historic transportation buildings, structures, or facilities: Restoration of historic railroad depots, bus stations, canals, canal tow-paths, historic canal bridges, and lighthouses; rehabilitation of rail trestles,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



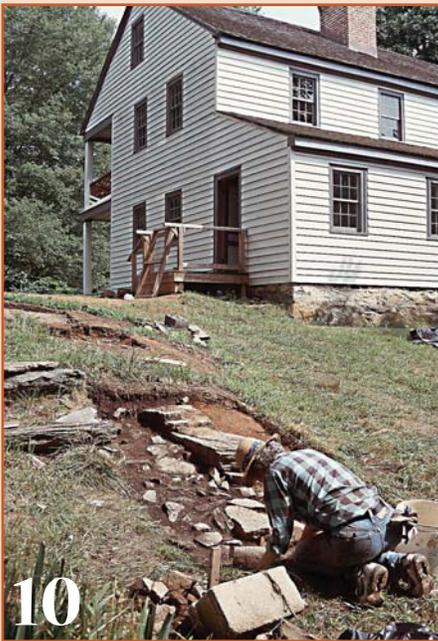
8

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



9

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



10

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



11

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



12

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

ties and it must relate to surface transportation. States may have additional eligibility requirements.

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

FY 2008 Summary of Nationwide Spending

The National Transportation Enhancements Clearinghouse (NTEC) presents this report for use by all interested in Transportation Enhancements (TE). The report provides a detailed description of the status of funding both at the state and national levels. This report is updated annually and allows an assessment of how TE activities are being funded and implemented.

The report is structured in three main sections. The Data Collection Process section summarizes TE spending figures, cites sources, explains the methodology of data collection, and explores state-specific data issues. The Major Findings section presents an analysis of TE activities at the end of fiscal year (FY) 2008 based on the traditional benchmarks of state spending. The Distribution of TE Programming section covers trends within the TE activities themselves, such as distribution of funds across the 12 eligible activities. The report also contains four appendices that provide supplemental information.

TEA-21 expired on September 30, 2003. Funding for TE continued through a series of 12 short-term extensions, with full reauthorization of new transportation legislation, SAFETEA-LU, enacted in August 2005. The delay in reauthorization influenced the project selection process for several states during the periods of TEA-21 extensions. With the upcoming expiration of SAFETEA-LU on September 30, 2009, TE programs in several states are similarly responding to uncertainty about future funding by curtailing new project selection.

While this report provides a national perspective on the status of TE, readers with questions about the TE program in a specific state should contact their state Department of Transportation (DOT) directly. Contact information for state DOT TE managers is available on the NTEC Web site at www.enhancements.org.

Common abbreviations used in this report:

TE: Transportation Enhancement Activities

FHWA: Federal Highway Administration

NTEC: National Transportation Enhancements Clearinghouse

DOT: Department of Transportation

FMIS: Fiscal Management Information System

ISTEA: Intermodal Surface Transportation Efficiency Act of 1991

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

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

STP: Surface Transportation Program

FY: Fiscal Year

Data Collection Process

The information in this report is based on data collected and maintained by the National Transportation Enhancements Clearinghouse (NTEC). In 1993, the Rails-to-Trails Conservancy developed a database of TE projects funded by each state. This project listing has been managed and updated by NTEC since 1998 under cooperative agreements with FHWA. TE spending data are compiled annually by NTEC staff. Data for this report were collected between December 2008 and April 2009. Data are provided to NTEC by two sources: FHWA's Fiscal Management Information System (FMIS) and State DOTs.

- **FMIS** provides NTEC with the cumulative and fiscal year activity for every state for funds available, obligated, and reimbursed. Every state is required to report its obligations and reimbursements through the FMIS system.
- **State DOTs** provide NTEC with programming (selected/planned project) data, including project name, TE activity type, location, and funding levels. This allows NTEC to analyze the distribution of funds by TE category and state match rates for TE funding. States are not required to provide NTEC with this information.

The national list of programmed TE projects now contains 24,174 projects selected from FY 1992 to FY 2008. NTEC's database also contains 448 programmed projects for future fiscal years (FY 2009 to FY 2013). Altogether, the list contains 24,622 programmed TE projects. The national TE project list can be viewed on the NTEC Web site at www.enhancements.org. Since NTEC's database of projects is the only existing central resource for information on TE projects nationwide, the participation of each state DOT is crucial for the accuracy and completeness of NTEC's information. During the most recent data collection, 49 states and the District of Columbia provided NTEC with programming information, the highest rate of participation yet.

State Participation During FY 2008

A breakdown of state participation during the FY 2008 data collection follows.

- Submitted a complete update of older project data and submitted new project data: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.
- Submitted an update of new project data only: Indiana.
- Updated old data, but reported no new data to submit: Florida, Hawaii, Nevada, Pennsylvania, Rhode Island, Texas, and Utah.
- Submitted incomplete data: North Carolina.
- Did not participate: New Mexico.

Major Findings

The findings of this report are based on data obtained from the Federal Highway Administration's (FHWA) Fiscal Management Information System (FMIS) and NTEC's national list of TE projects. The data analyzed in this report are up-to-date as of September 30, 2008, and used to identify trends over the lifetime of the TE program. The following section, Major Findings, covers three areas of interest and importance to TE. The first part addresses cumulative monetary levels of the stages of funding. The second part discusses nationwide trends across and within the 12 TE activities. The third part provides project award and match rate trends. This section concludes with an analysis of future fiscal year programming and a brief discussion of state obligation policies.

Available

Available funds are the amount apportioned to the state DOTs exclusive of the amount transferred from TE to other allowable transportation programs. In FY 2008, apportionments deviated by less than 5% from FY 2007 for all states except Nevada, whose apportionment increased by 6.36%. FY 2008 apportionments were about \$818 million.

From FY 1992 through FY 2008, the cumulative amount made available to all states was \$9.36 billion. The distribution among states is shown in Table 1, page 11. States are typically not authorized to obligate all apportioned funds due to annual congressionally mandated limitations on obligations.

Programming

Each year NTEC asks state DOTs to provide information on programmed projects. Programmed projects are those approved to receive TE funding by individual states. As a result, NTEC's database now covers 16 fiscal years of TE programming. Table 1 indicates that the cumulative level of programming for FY 1992 through FY 2008 is \$8.94 billion, which represents 95% of all available funds. Since there is one state for which NTEC does not have current programming numbers, the actual programming level is likely somewhat higher than the amount documented in the NTEC database.

NTEC's data also show that 17 states and the District of Columbia have selected projects for future fiscal years. The database now has 449 future-programmed projects worth \$266 million in federal TE funds. The future programming data suggests that there are more requests for project funding than can be accommodated each year. There are some important issues to note regarding programming data. While NTEC makes every effort possible to accurately reflect state project selection, it is likely that some errors occur because of data reporting problems. For example, for 12 states, NTEC's programming figures are lower than actual obligations. The reasons for this could include:

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

-
- Differences in methodology for tracking projects.

Another issue to note is that 24 states have programming totals that are higher than apportionments. Possible reasons for this include:

- States program more than their apportionments with the expectation that some projects will be dropped;
- Older project data were not updated, so projects that have been dropped or had their funding levels changed are not accounted for;
- Years assigned to projects may be incorrect, and some future-year programmed projects may be included with past projects; and
- States may combine a TE project with other federal or state funds, but not differentiate these in their data submission to NTEC.

Every year as NTEC collects data, efforts are made to increase the accuracy of the database. However, without a full review and reconciliation at the state level, some discrepancies in programming figures remain. Nonetheless, the database and programming figures are useful tools for the purposes of this report, and provide a centralized, national source of information about programmed projects that does not exist elsewhere.

Obligations: Background

An obligation is a commitment by the federal government to reimburse states for the federal share of a project's eligible cost. Obligation occurs when a formal project agreement is executed between the federal government and the state. Obligated funds are then committed to a particular project. State DOTs are required to report obligations to FMIS. NTEC obtains obligation figures from FMIS for each state at the close of the fiscal year.

States have tremendous flexibility in determining how to spread their funding among transportation programs. This flexibility allows states latitude in meeting needs that arise on a year to year basis. For example, it might be more cost-effective to over-obligate a particular program in a given year in order to finish a complex, large project such as a highway or bridge. The flexibility that allows for over-obligation also allows for under-obligation. The logic behind the flexibility is that over-obligations and under-obligations should balance over time. Balance is not always reached. Unobligated funds are added to the available balance.

A simplified example might help to explain how this relates to the obligation rate. This example can also be used to aid in understanding Table 2 on page 13. The available balance obligation rate represents a percentage of the available balance of funds versus the year's obligated funds. This shows the extent to which states are expending available resources. This figure is shown for each state from FY 2002 through FY 2008 in Table 2 in the 'Avail.' columns. Let's say that in the first year of the TE program, a state had \$10 million available and obligated \$8 million dollars. Its obligation rate would then be 80% that year. The available balance obligation rate equals the available balance of funds divided by the year's obligated funds.

Table 1: State TE Program Benchmarks for FY 1992 to FY 2008

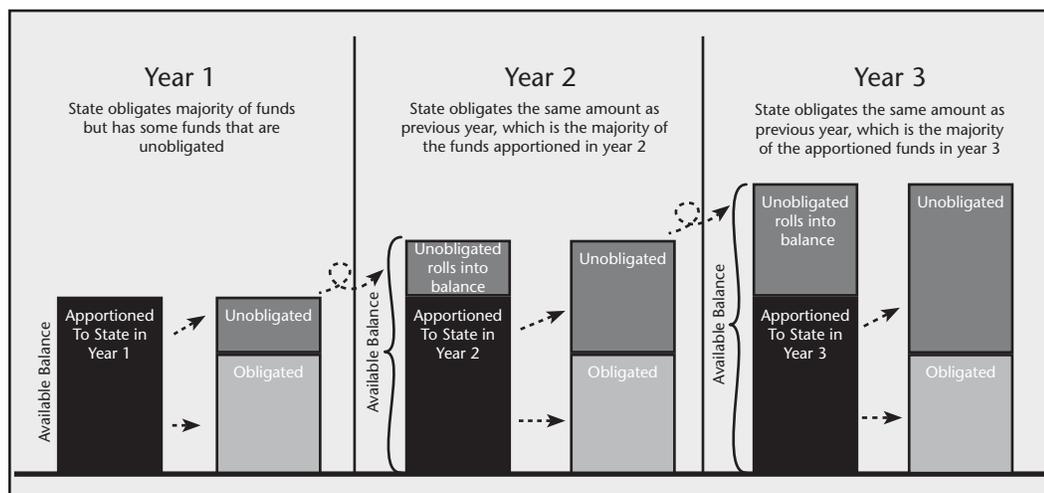
| State | Cumulative Available | Programmed | | Obligated | | Reimbursed | | Rescinded | |
|----------------|------------------------|------------------------|--------------|------------------------|--------------|------------------------|-------------------|------------------------|--------------|
| | FY92-08 | FY92-08 | Rate | FY92-08 | Rate | FY92-08 | Rate [‡] | FY92-08 | Rate |
| Alabama | \$171,070,034 | \$175,297,844 | 102.5% | \$164,054,754 | 95.9% | \$136,178,072 | 83.0% | \$48,895,951 | 28.6% |
| Alaska | \$128,912,131 | \$123,887,847 | 96.1% | \$128,912,131 | 100.0% | \$122,402,775 | 95.0% | \$10,781,131 | 8.4% |
| Arizona | \$191,599,292 | \$167,110,212 | 87.2% | \$141,560,660 | 73.9% | \$125,306,250 | 88.5% | \$2,315,684 | 1.2% |
| Arkansas | \$116,636,370 | \$106,377,157 | 91.2% | \$97,557,570 | 83.6% | \$90,881,399 | 93.2% | \$22,853,725 | 19.6% |
| California | \$864,693,757 | \$881,466,436 | 101.9% | \$713,358,047 | 82.5% | \$600,434,290 | 84.2% | \$43,833,147 | 5.1% |
| Colorado | \$140,478,763 | \$121,257,074 | 86.3% | \$99,396,402 | 70.8% | \$94,354,709 | 94.9% | \$11,042,566 | 7.9% |
| Connecticut | \$113,015,196 | \$121,054,389 | 107.1% | \$107,350,747 | 95.0% | \$90,462,702 | 84.3% | \$29,554,413 | 26.2% |
| Delaware | \$52,760,796 | \$44,907,024 | 85.1% | \$50,035,649 | 94.8% | \$44,864,009 | 89.7% | \$711,774 | 1.3% |
| Dist. Of Col. | \$37,046,837 | \$33,815,692 | 91.3% | \$27,134,414 | 73.2% | \$23,716,424 | 87.4% | \$8,340,225 | 22.5% |
| Florida* | \$537,341,910 | \$442,792,409 | 82.4% | \$413,699,021 | 77.0% | \$390,024,862 | 94.3% | \$45,677,551 | 8.5% |
| Georgia | \$396,000,980 | \$375,229,612 | 94.8% | \$245,112,813 | 61.9% | \$218,843,123 | 89.3% | \$9,923,350 | 2.5% |
| Hawaii | \$72,043,809 | \$51,257,633 | 71.1% | \$58,524,419 | 81.2% | \$49,704,682 | 84.9% | \$5,083,049 | 7.1% |
| Idaho | \$56,539,411 | \$46,458,549 | 82.2% | \$55,568,804 | 98.3% | \$46,246,284 | 83.2% | \$15,586,680 | 27.6% |
| Illinois | \$361,439,705 | \$295,111,820 | 81.6% | \$252,387,695 | 69.8% | \$225,236,033 | 89.2% | \$29,311,837 | 8.1% |
| Indiana | \$270,146,903 | \$276,027,742 | 102.2% | \$235,903,852 | 87.3% | \$200,774,574 | 85.1% | \$9,208,474 | 3.4% |
| Iowa | \$133,611,344 | \$160,996,329 | 120.5% | \$124,788,066 | 93.4% | \$107,707,108 | 86.3% | \$5,486,083 | 4.1% |
| Kansas | \$138,054,719 | \$148,375,129 | 107.5% | \$134,951,771 | 97.8% | \$116,528,412 | 86.3% | \$4,131,192 | 3.0% |
| Kentucky | \$171,744,563 | \$177,785,732 | 103.5% | \$147,646,308 | 86.0% | \$121,705,389 | 82.4% | \$1,884,032 | 1.1% |
| Louisiana | \$128,247,733 | \$116,181,466 | 90.6% | \$76,126,243 | 59.4% | \$66,293,583 | 87.1% | \$19,492,583 | 15.2% |
| Maine | \$45,217,154 | \$47,817,437 | 105.8% | \$43,084,501 | 95.3% | \$41,012,979 | 95.2% | \$8,699,084 | 19.2% |
| Maryland | \$160,570,122 | \$175,299,661 | 109.2% | \$123,128,369 | 76.7% | \$102,190,795 | 83.0% | \$1,702,358 | 1.1% |
| Massachusetts | \$146,204,337 | \$83,708,333 | 57.3% | \$53,056,856 | 36.3% | \$40,867,851 | 77.0% | \$26,884,634 | 18.4% |
| Michigan | \$317,996,519 | \$307,758,936 | 96.8% | \$268,661,885 | 84.5% | \$236,479,863 | 88.0% | \$23,491,544 | 7.4% |
| Minnesota † | \$194,627,825 | \$209,914,793 | 107.9% | \$176,367,919 | 90.6% | \$162,880,197 | 92.4% | \$8,356,633 | 4.3% |
| Mississippi | \$131,447,699 | \$86,246,221 | 65.6% | \$98,265,996 | 74.8% | \$88,201,778 | 89.8% | \$3,495,347 | 2.7% |
| Missouri | \$220,352,241 | \$204,552,677 | 92.8% | \$169,756,428 | 77.0% | \$142,230,344 | 83.8% | \$8,690,387 | 3.9% |
| Montana | \$90,578,057 | \$59,941,506 | 66.2% | \$68,800,289 | 76.0% | \$56,790,948 | 82.5% | \$812,340 | 0.9% |
| Nebraska | \$76,703,249 | \$79,827,826 | 104.1% | \$63,513,074 | 82.8% | \$55,460,811 | 87.3% | \$16,361,635 | 21.3% |
| Nevada | \$68,568,788 | \$73,599,585 | 107.3% | \$58,330,684 | 85.1% | \$49,817,655 | 85.4% | \$10,609,850 | 15.5% |
| New Hampshire | \$56,593,251 | \$71,963,781 | 127.2% | \$52,834,165 | 93.4% | \$44,763,484 | 84.7% | \$538,151 | 1.0% |
| New Jersey | \$197,708,722 | \$130,167,557 | 65.8% | \$147,080,659 | 74.4% | \$126,459,808 | 86.0% | \$24,862,377 | 12.6% |
| New Mexico | \$84,365,673 | \$100,626,067 | 119.3% | \$79,101,667 | 93.8% | \$67,307,887 | 85.1% | \$23,978,018 | 28.4% |
| New York | \$403,290,418 | \$337,442,493 | 83.7% | \$274,496,646 | 68.1% | \$222,078,215 | 80.9% | \$4,013,818 | 1.0% |
| North Carolina | \$280,023,057 | \$249,020,575 | 88.9% | \$234,594,724 | 83.8% | \$209,989,819 | 89.5% | \$31,689,478 | 11.3% |
| North Dakota | \$62,103,327 | \$50,738,753 | 81.7% | \$58,887,029 | 94.8% | \$55,201,583 | 93.7% | \$9,889,771 | 15.9% |
| Ohio | \$281,426,748 | \$295,573,634 | 105.0% | \$264,600,828 | 94.0% | \$240,637,575 | 90.9% | \$43,132,111 | 15.3% |
| Oklahoma | \$159,186,435 | \$131,722,840 | 82.7% | \$125,961,537 | 79.1% | \$110,198,761 | 87.5% | \$26,794,901 | 16.8% |
| Oregon | \$91,742,537 | \$95,319,166 | 103.9% | \$75,708,862 | 82.5% | \$69,247,354 | 91.5% | \$33,803,287 | 36.8% |
| Pennsylvania | \$309,814,559 | \$408,086,921 | 131.7% | \$285,197,158 | 92.1% | \$226,836,274 | 79.5% | \$4,458,722 | 1.4% |
| Rhode Island | \$50,278,264 | \$62,157,348 | 123.6% | \$49,658,033 | 98.8% | \$46,249,725 | 93.1% | \$417,928 | 0.8% |
| South Carolina | \$187,742,058 | \$89,554,912 | 47.7% | \$135,452,643 | 72.1% | \$121,455,480 | 89.7% | \$2,128,919 | 1.1% |
| South Dakota | \$50,325,216 | \$40,107,060 | 79.7% | \$42,882,270 | 85.2% | \$41,357,056 | 96.4% | \$27,356,395 | 54.4% |
| Tennessee | \$221,925,557 | \$217,672,103 | 98.1% | \$162,089,558 | 73.0% | \$129,525,929 | 79.9% | \$10,462,801 | 4.7% |
| Texas | \$631,071,168 | \$638,904,671 | 101.2% | \$454,195,113 | 72.0% | \$409,370,707 | 90.1% | \$241,749,638 | 38.3% |
| Utah | \$73,747,563 | \$57,558,449 | 78.0% | \$73,386,588 | 99.5% | \$67,726,772 | 92.3% | \$7,683,353 | 10.4% |
| Vermont | \$48,951,642 | \$49,818,382 | 101.8% | \$42,894,183 | 87.6% | \$35,584,516 | 83.0% | \$409,055 | 0.8% |
| Virginia | \$232,836,178 | \$239,359,961 | 102.8% | \$217,334,584 | 93.3% | \$134,842,911 | 62.0% | \$13,107,277 | 5.6% |
| Washington† | \$154,363,137 | \$180,429,458 | 116.9% | \$134,826,920 | 87.3% | \$113,142,020 | 83.9% | \$12,967,083 | 8.4% |
| West Virginia | \$80,139,563 | \$80,228,769 | 100.1% | \$71,926,561 | 89.8% | \$55,731,961 | 77.5% | \$1,605,346 | 2.0% |
| Wisconsin | \$154,818,145 | \$165,679,635 | 107.0% | \$123,982,315 | 80.1% | \$115,644,784 | 93.3% | \$96,268,802 | 62.2% |
| Wyoming | \$58,552,215 | \$49,018,495 | 83.7% | \$56,788,389 | 97.0% | \$51,378,439 | 90.5% | \$43,258 | 0.1% |
| Total | \$9,404,655,677 | \$8,935,208,101 | 95.0% | \$7,560,915,797 | 80.4% | \$6,542,328,958 | 86.5% | \$1,050,577,772 | 11.2% |

* Florida's reported programmed figures result from their unique FY system, which begins and ends in June rather than September.

† Minnesota and Washington figures have been adjusted for STP Pilot.

‡ Reimbursement rates are calculated from obligated funds.

Figure 2: How TE Funds Accumulate



In future years, however, the cumulative outstanding balance of \$2 million is not erased. It still sits on the books and is available the next year. If a state does not proportionately increase the size of its program to include these unobligated funds, its obligation rate will go down. In the present example, if the state again had a single year \$10 million apportionment and obligated at the same amount as the previous year (\$8 million), the new obligation rate would go down to 66.6% (\$8 million obligated divided by \$12 million available). If this same process continues over the course of 5 years, the state’s obligation rate would go down to 44.4% and leave 10 million dollars on the table. This \$10 million conceptually represents a full year of TE funding. This example, of course, does not take into account the obligation limitation. Its potential impact is discussed on page 17.

Figure 2, above, illustrates the accumulation of TE Funds as described above and shows how a state could obligate the same amount every year and run up a large available balance. Another issue, not illustrated in Figure 2, which may contribute to a growing available balance, is deobligation. If for some reason a project advances to the stage where funds are obligated, but the project is later canceled, the funds associated with the project are deobligated and returned to the available balance. If a state “cleans out” old, inactive projects from multiple past fiscal years in one current fiscal year, this can cause a state to have a negative yearly obligation rate.

Obligation, Obligation Rates, & Rescissions

This report elaborates and analyzes obligation rates in three separate ways. Method one is to compare the cumulative dollar amount obligated to the cumulative available amount. This rate figure has been the benchmark figure NTEC has reported previously and that FHWA has used to measure the effectiveness of the TE program. This rate is reported nationally and for each state in Table 1, page 11. The national cumulative obligation rate (FY 1992–FY 2008) is 80.4%.

Table 2: Yearly Obligation Rates by Fiscal Year 2002–2008
(Obligation shown as a % of the available balance and year's apportionment)

| State | FY02 | | FY03 | | FY04 | | FY05 | | FY06 | | FY07 | | FY08 | |
|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Avail. | Apport. |
| Alabama | 27% | 75% | 24% | 82% | 36% | 106% | 29% | 68% | 25% | 47% | 76% | 74% | 63% | 70% |
| Alaska | 81% | 80% | 90% | 111% | 44% | 45% | 84% | 108% | 99% | 69% | 100% | 7% | 100% | 88% |
| Arizona | 16% | 57% | 21% | 95% | 31% | 115% | 31% | 111% | 27% | 95% | 14% | 50% | 22% | 82% |
| Arkansas | 47% | 128% | 75% | 206% | 6% | 6% | 19% | 27% | 37% | 31% | 24% | 37% | 15% | 31% |
| California | 38% | 106% | 17% | 47% | 33% | 87% | 23% | 68% | 25% | 68% | 28% | 77% | 29% | 83% |
| Colorado | 23% | 61% | 34% | 109% | 20% | 52% | 17% | 57% | 24% | 70% | 7% | 21% | 7% | 25% |
| Connecticut | 19% | 43% | 16% | 44% | 30% | 57% | 13% | 20% | 36% | 42% | 88% | 88% | 35% | 35% |
| Delaware | 41% | 145% | 22% | 75% | 29% | 93% | 39% | 133% | 87% | 266% | 46% | 61% | 51% | 81% |
| Dist. of Columbia | 41% | 70% | 100% | 217% | -4% | -4% | 18% | 38% | -121% | -114% | 21% | 49% | -13% | -37% |
| Florida | 42% | 71% | 16% | 33% | 2% | 5% | 23% | 73% | 20% | 64% | 23% | 69% | 20% | 64% |
| Georgia | 29% | 70% | 52% | 159% | 9% | 18% | 3% | 10% | 4% | 14% | 9% | 40% | 11% | 53% |
| Hawaii | -8% | -32% | 55% | 346% | 10% | 32% | 7% | 29% | 0% | 0% | 34% | 163% | 8% | 34% |
| Idaho | 18% | 75% | 16% | 78% | 25% | 67% | 17% | 55% | 68% | 72% | 82% | 95% | 84% | 91% |
| Illinois | 10% | 37% | 15% | 72% | 27% | 112% | 15% | 64% | 8% | 30% | 14% | 58% | 10% | 43% |
| Indiana | 27% | 70% | 33% | 107% | 39% | 104% | 15% | 40% | 33% | 105% | 28% | 76% | 46% | 130% |
| Iowa | 27% | 111% | 39% | 175% | 26% | 79% | 47% | 165% | 71% | 171% | 59% | 100% | 41% | 61% |
| Kansas | 77% | 172% | -3% | -5% | 4% | 10% | 35% | 120% | 50% | 159% | 74% | 166% | 81% | 129% |
| Kentucky | 39% | 81% | 47% | 118% | 52% | 95% | 69% | 133% | -11% | -16% | 41% | 109% | 23% | 55% |
| Louisiana | 15% | 70% | 12% | 68% | 10% | 47% | 8% | 47% | 9% | 43% | 9% | 44% | 10% | 48% |
| Maine | 18% | 64% | 6% | 25% | 20% | 65% | 12% | 49% | 22% | 104% | 42% | 128% | 76% | 200% |
| Maryland | 46% | 119% | 20% | 52% | 29% | 74% | 22% | 65% | 22% | 72% | 38% | 137% | 2% | 5% |
| Massachusetts | 3% | 18% | 6% | 44% | 8% | 50% | 1% | 10% | 3% | 25% | -4% | -30% | 2% | 16% |
| Michigan | 24% | 76% | 31% | 123% | 25% | 76% | 19% | 68% | 27% | 92% | 40% | 127% | 31% | 83% |
| Minnesota | 84% | 83% | 87% | 103% | 68% | 76% | 30% | 43% | 47% | 90% | 44% | 68% | 36% | 61% |
| Mississippi | 32% | 103% | 40% | 144% | 28% | 68% | 20% | 52% | 22% | 68% | 13% | 42% | 17% | 66% |
| Missouri | 36% | 134% | 34% | 121% | 32% | 91% | 14% | 42% | 18% | 60% | 17% | 64% | 32% | 120% |
| Montana | 28% | 75% | 17% | 58% | 17% | 55% | 13% | 50% | 16% | 70% | 15% | 67% | 21% | 100% |
| Nebraska | 22% | 70% | 21% | 84% | 32% | 92% | 33% | 67% | 9% | 10% | 28% | 52% | 13% | 29% |
| Nevada | 26% | 104% | 24% | 108% | 16% | 58% | 27% | 120% | 18% | 67% | 41% | 105% | 22% | 49% |
| New Hampshire | 43% | 113% | 38% | 106% | 45% | 103% | 39% | 94% | 53% | 130% | 52% | 111% | 49% | 95% |
| New Jersey | 23% | 58% | 31% | 96% | 17% | 42% | 7% | 23% | 15% | 50% | 17% | 52% | 15% | 49% |
| New Mexico | 23% | 58% | 19% | 61% | 17% | 51% | 21% | 64% | 31% | 51% | 59% | 61% | 44% | 58% |
| New York | 28% | 65% | 51% | 146% | -12% | -24% | 6% | 20% | 10% | 43% | 19% | 89% | 3% | 16% |
| North Carolina | 45% | 116% | 37% | 95% | 37% | 84% | 22% | 53% | 22% | 52% | 44% | 100% | 10% | 21% |
| North Dakota | 39% | 117% | 31% | 98% | 20% | 55% | 25% | 86% | 36% | 108% | 64% | 86% | 45% | 61% |
| Ohio | 19% | 58% | 22% | 89% | 44% | 121% | 23% | 61% | 69% | 51% | 52% | 63% | 60% | 87% |
| Oklahoma | 46% | 103% | 53% | 105% | 38% | 56% | 34% | 66% | 21% | 35% | -14% | -25% | 21% | 61% |
| Oregon | 19% | 70% | 14% | 63% | 17% | 69% | 10% | 50% | 42% | 73% | 22% | 43% | 26% | 62% |
| Pennsylvania | 16% | 58% | 22% | 101% | 26% | 90% | 35% | 120% | 44% | 142% | 37% | 100% | 66% | 172% |
| Rhode Island | 28% | 116% | 56% | 248% | 71% | 183% | 79% | 151% | 93% | 131% | 85% | 93% | 82% | 86% |
| South Carolina | 34% | 103% | 34% | 113% | 33% | 89% | 18% | 51% | 9% | 29% | 6% | 24% | 25% | 115% |
| South Dakota | 13% | 66% | 13% | 75% | 9% | 36% | 13% | 45% | 43% | 49% | 65% | 107% | 2% | 3% |
| Tennessee | 30% | 120% | 31% | 129% | 23% | 75% | 14% | 49% | 19% | 72% | 25% | 94% | 14% | 54% |
| Texas | 18% | 76% | 14% | 68% | 13% | 45% | 7% | 28% | 21% | 40% | 34% | 84% | 8% | 21% |
| Utah | 28% | 83% | 14% | 48% | 17% | 55% | 30% | 106% | 97% | 253% | 97% | 106% | 94% | 86% |
| Vermont | 50% | 90% | 17% | 33% | 29% | 67% | 29% | 86% | 28% | 86% | 47% | 149% | 26% | 68% |
| Virginia | 66% | 235% | 32% | 79% | 72% | 159% | 85% | 142% | 85% | 90% | 12% | 5% | 40% | 46% |
| Washington | 48% | 97% | 30% | 67% | 14% | 29% | 8% | 27% | 35% | 107% | 33% | 89% | 40% | 103% |
| West Virginia | 37% | 79% | 47% | 124% | 41% | 78% | 42% | 95% | 19% | 43% | 51% | 139% | 38% | 81% |
| Wisconsin | 13% | 65% | 15% | 89% | 14% | 69% | 12% | 64% | 21% | 51% | 22% | 29% | 12% | 23% |
| Wyoming | 96% | 96% | 98% | 102% | 61% | 63% | 63% | 88% | 80% | 122% | 91% | 118% | 56% | 63% |
| Total | 28% | 86% | 26% | 91% | 23% | 66% | 19% | 61% | 23% | 65% | 26% | 71% | 22% | 64% |

Avail. Rate is the percent of the available balance obligated in the fiscal year. Apport. Rate is the percent of the year's apportionment obligated in the fiscal year. Data for both rates is reported by FMIS in the fiscal year shown. A negative rate indicates net de-obligation.

The second method is to compare the amount obligated in the fiscal year to the fiscal year apportionment, as shown in Table 2, page 13. This rate shows how much of the year's apportionment has been obligated. NTEC has calculated this rate for each year since FY 2002 using annual FMIS data. This rate shows how the TE programs operate from year to year. This rate can be quite variable between years. It is possible for a state to obligate more than a hundred percent of last year's apportionment because a state has the ability to obligate previously unobligated funds up to an amount equal to the available balance.

The third method is to compare the amount obligated in the fiscal year to the available balance. The available balance amount is the amount each state has available to obligate. The available balance is the current year's apportionment amount plus the funds from past years that have not been obligated minus transfers and funds that have expired. NTEC has calculated this rate for each year since FY 2002 using annual FMIS data. It is illustrated in Figure 4, page 15, or by state in Table 2, page 13.

Obligation Trends

Table 1, page 11, shows that as of September 30, 2008, 80.4% of all available TE funds (cumulative FY 1992 through FY 2008) had been obligated. This is a slight increase from FY 2007. However, the increase from FY07 to FY08 is due to the \$98 million rescission that occurred in FY08, and not because of increased TE implementation. This rescission reduced the cumulative available amount that is used to calculate the obligation rate (the denominator), thus increasing the percentage of available funds obligated.

The cumulative obligation rate combines the past 17 years of the TE program and minimizes changes from year to year. NTEC recognizes that the cumulative obligation rate has been the primary benchmark by which the TE program has been measured. However with such significant changes in the benchmark measurement unrelated to the states' commitment amounts, NTEC has developed additional ways to represent state-level TE program spending.

Table 2, page 13, provides fiscal year obligation rates compared to the amount apportioned that year since 2002. In 2008 the national yearly obligation rate was 63.8%, a decrease from FY 2007 (73.0%), and still short of the FHWA cumulative goal of 75% for the program. This decrease may be due to several reasons: some states have large numbers of incomplete TE projects, and are focusing on taking these projects to completion rather than starting new ones; some states are over-programmed from previous years; and in FY08 there was uncertainty about the future of TE funding due to the impending expiration of SAFETEA-LU, which made some states reluctant to program new projects.

Figure 3 on page 15 illustrates the actual dollar amounts obligated since 1992. Uncertainty with the reauthorization of the transportation bill after TEA-21 expired in 2003 is the likely cause of the obligation decreases seen between FY 2003 and FY 2005, and similarly in FY 2008 with SAFETEA-LU.

Figure 4 on page 15 plots the TE program's yearly obligation amount next to the amount apportioned for the year, the available balance and the total amount re-

Figure 3: TE Funds Obligated Each Fiscal Year FY 1992 through FY 2008

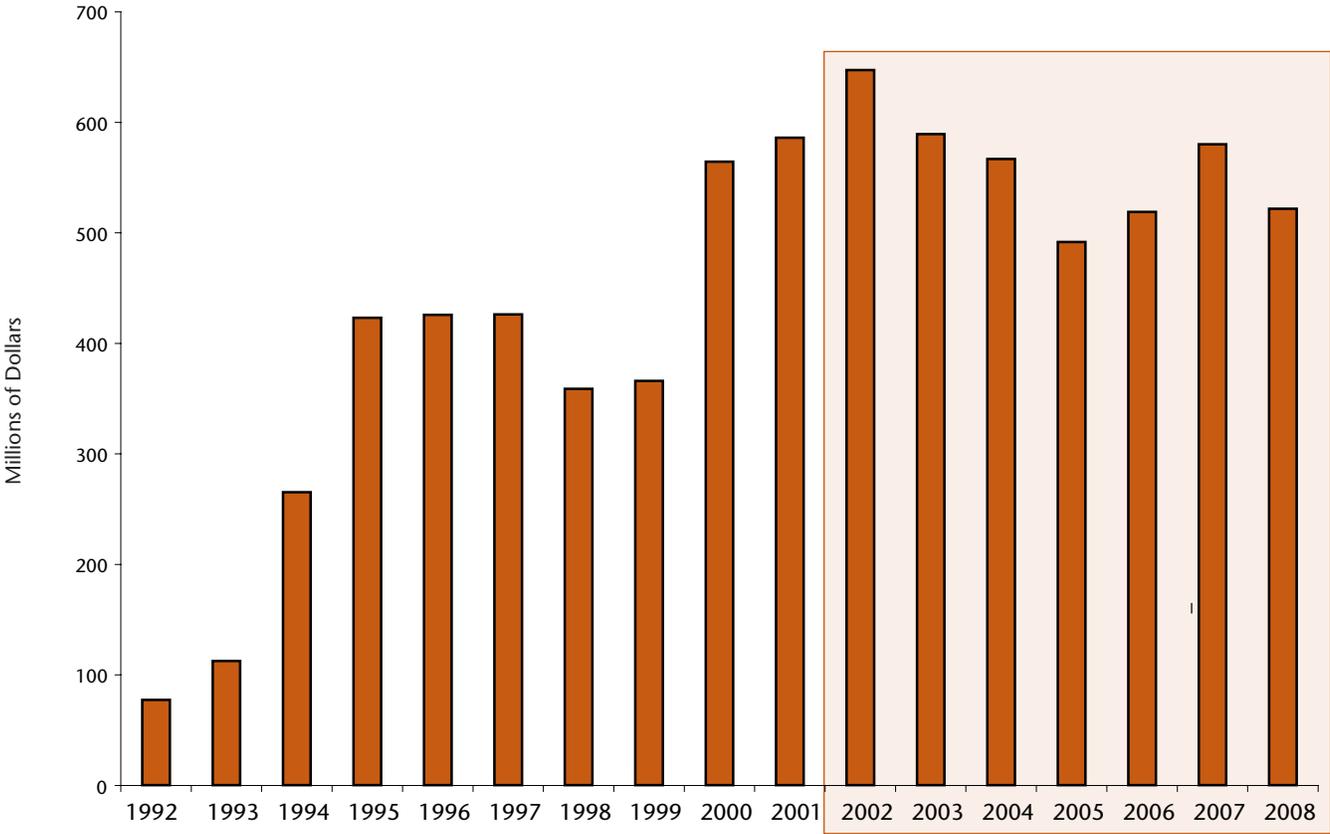
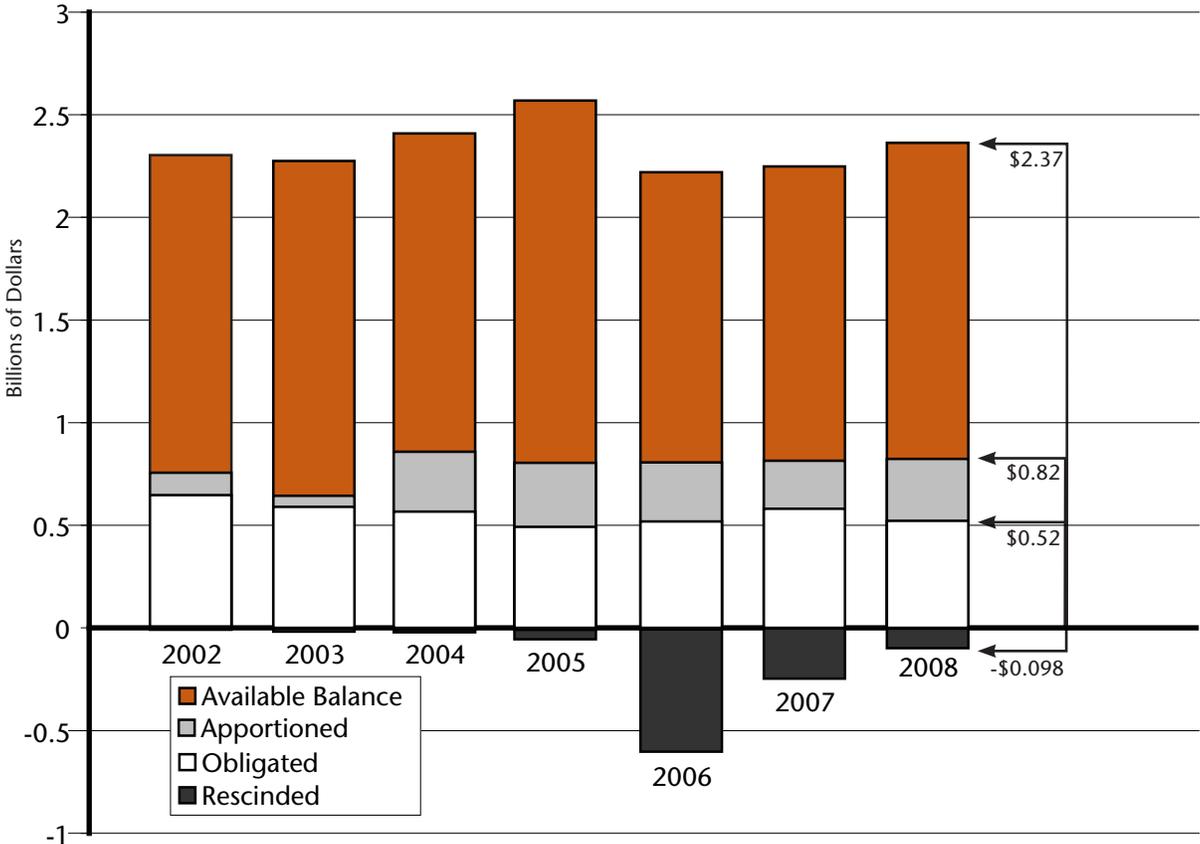


Figure 4: Obligation, Apportionment, Available Balance, and Rescissions for each FY 2002 through FY 2008



scinded. This graph, and the accompanying Table 2, page 13, show the available balance, that is, the amount of money from past years still available to be obligated by the states. This number is the sum of all unobligated funds.

In recent years, many states have made great strides in moving their programmed projects to completion and have developed more effective methods for obligating TE funds. For example, Kansas, which in 2003 had a large unobligated balance, has in the last three years obligated more than it was apportioned for the year. This has significantly reduced its unobligated balance. Likewise, Rhode Island, which obligated over 100% of its yearly apportionment from 2002 - 2006, reports prioritized and concentrated efforts to get TE projects accomplished as the key to their increased obligations. The national unobligated balance reached a peak in FY 2005 at over \$2 billion. With the enactment of SAFETEA-LU, this figure declined significantly in both FY 2006 and FY 2007. However, the balance grew by 10% in FY 2008. Both timely reauthorization of the transportation authorization legislation and rigorous continued efforts to implement best practices in TE program management at the state level will help address this issue.

Interpreting Obligation Rates

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

- **Alternate funding.** There are many TE-eligible projects being funded from federal, state, and local sources other than TE. At the federal level alone, projects may be funded by area suballocated Surface Transportation Program funds, Safe Routes to School, or the Congestion Mitigation and Air Quality Improvement Program.
- **Obligation limitation.** Congress, in its annual appropriations acts, sets the annual obligation limitation for the overall amount of Federal-aid highway funds that can be obligated. FHWA informs the states of these limits and monitors for compliance. State DOTs choose how they will manage the required obligation limitation across their programs at their discretion.
- **Accounting practices.** State procedures for obligating projects and varying accounting practices impact the obligation rate. Some states obligate project funds in stages as they are ready to proceed. Some states pay for only the construction phase of TE projects and release full obligation authority once construction is ready to occur. States with lower obligation rates often use one of these methods. States that release full project obligation for all stages earlier in the process tend to have higher obligation rates.
- **Level of design detail and environmental review.** Some DOTs reportedly treat TE projects more like highways, requiring a level of design detail and

environmental review that can be at odds with the small-scale nature of most TE projects and at odds with federal recommendation that encourages a streamlined approach. Such strict requirements slow down the implementation of projects, thus creating a barrier between the programming and obligation stages.

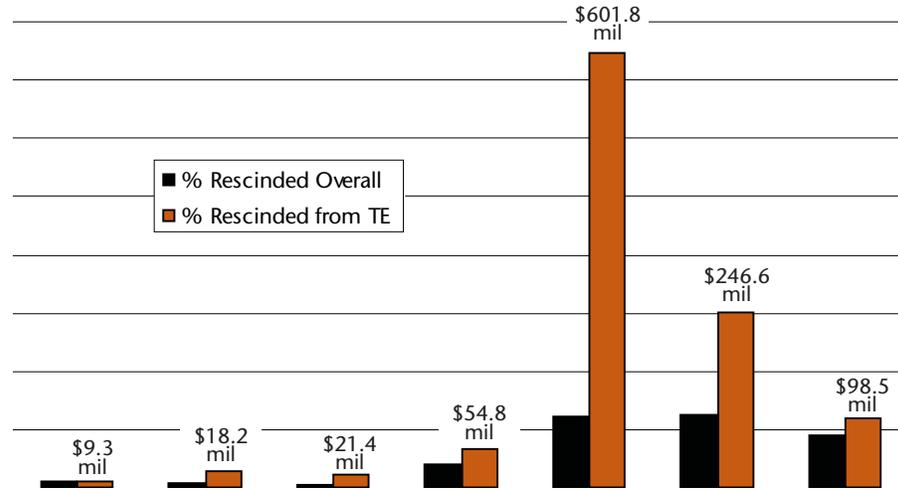
- **Inexperienced sponsors.** Problems in the project development process that have led to significant project delay are often the result of inexperienced project sponsors that lack the preparation and support to implement projects in a timely manner. States do not obligate funds when expected due to delays resulting from inaccurate cost estimates, the inability to raise matching funds, unfamiliarity with environmental and historic preservation review requirements, and the use of inappropriate design standards. Some states have effectively dealt with this problem by providing more support to project sponsors during the application process as well as during implementation by developing training programs, increasing staff resources, and hiring consultants.
- **Right-of-way acquisition.** Some states have faced costly legal actions due to right-of-way issues and have subsequently adopted more stringent requirements. To combat this problem, some states require applicants to obtain a written right-of-way agreement prior to project selection.

Obligation Limitation

Along with annual apportionments, Congress sets a limitation on obligations for that year to control annual federal expenditures of the Federal-aid Highway Program. Obligation authority is then distributed among the states. Obligation limitation is a requirement applied to the entire Federal-aid Highway Program. Though simplified for this report, the nature of the limitation is one of macro proportions, and is not tracked by FHWA at the level of programs such as TE. Within the state's overall limitation, each state has discretion to choose how to use funds among the various Federal-aid highway programs as long as the total obligations do not exceed the set limit. Therefore, while it may appear that states are not obligating all of their apportionment, not all of these funds may be accessible in a given year. For example, in FY 2008 Congress imposed an overall obligation limitation such that approximately 86% of total apportionments nationwide could be obligated. Many state DOTs cite obligation limitation for restricting TE programs. That said, the DOTs are largely responsible (23 U.S.C. 145) for how they distribute the limitation among Federal-aid programs.

Some state DOTs evenly distribute the obligation limitation across all programs, while other DOTs place lower limitations on some programs. Some state TE managers have reported that in their state's DOT TE is considered a lower priority. Limitations on obligations should be kept in mind as this report discusses TE obligation rates. The cumulative obligation rate and the rate of the year's apportionment obligation are calculated without considering obligation limitations.

Figure 5: Overall FHWA versus TE Rescissions by Fiscal Year



Rescissions

Since 2002, Congress has enacted rescissions that have affected the Federal-aid Highway Program. Rescissions are funds removed from apportionments. When funds are removed in this manner, they are no longer counted as apportioned funds: it is as though they never occurred. While Congress sets the total rescission amount, FHWA calculates the share each state is responsible for based on the original distribution of Federal-aid funds. The states in turn are required to return those funds.

In 2008, \$98.5 million was rescinded nationally from TE, as shown in Figure 5, above. This is equivalent to a 12% reduction in the 2008 apportionment of TE funds. In past years, rescissions have had an even larger impact on the TE program for two reasons: first, the total amount rescinded was much larger, as shown in Figure 5; second, at the discretion of state DOTs, general rescissions to Federal-aid highway programs were disproportionately targeted at the TE program in some states. Past rescissions have led some states to reduce their cumulative available balance by over 50%. However, the rescission of FY 2008 was different because the 2007 Energy Independence and Security Act required that rescissions be distributed proportionately among all Federal-aid programs, within a margin of 10%. This policy had a significant effect in limiting the impact of the FY 2008 rescission on TE, as seen in the figure above. Rescissions by year for each state are shown in Appendix D, Table 6, page 30.

The disproportionate impact of past rescissions has rendered the traditional program measure of cumulative obligation rates for the states less meaningful, as it is the removal of available funds that leads to an increased obligation rate*. For this reason, NTEC provides yearly obligation rates which limit the impact of rescissions on obligation rates to the year it occurred, shown in Table 2, page 13. If future rescissions are required to be proportionately distributed as in FY 2008, this will gradually renew the usefulness of the cumulative obligation rate as a performance measure of the TE program. However, it should be noted that FY 2009 rescissions will not have any proportionality requirement.

* For an illustration of how rescissions affect obligation rates, please see http://www.fhwa.dot.gov/environment/TE/app_ob_summ.htm

Reimbursements

The final stage of TE project funding is reimbursement. The FHWA reimburses states for projects as they are completed. This process can be long and, when projects are stalled or are not separated into phases, can be delayed while the project is implemented. Table 1, on page 11, shows the cumulative reimbursement rate (as a percentage of obligated funds) at the end of FY 2008. In the past, reimbursement rates have been calculated as a percentage of available funds. However, this does not provide a clear picture of reimbursements as only obligated projects can be reimbursed: the remaining available funds are not applied to projects and are therefore not reimbursable.

Table 1 shows that the cumulative (1992-2008) reimbursement rate nationally was 86.5%, an increase from 2007 (83.7%). Reimbursement rates range across states from a low of 62% in Virginia to a high of 96.4% in South Dakota.

Differences in reimbursement rates can be explained a number of ways. A low reimbursement rate, together with a high obligation rate in recent years, could indicate that many TE projects in that state are ongoing. A high reimbursement rate, together with a low obligation rate in recent years, could indicate that few TE projects are implemented but that they are done efficiently. Overall, it is important to understand that reimbursement rates alone are an insufficient benchmark for TE funding. Only as a part of the whole TE funding process, from available to obligated, can these data be properly interpreted.

Transfers

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

In FY 2008, twelve states transferred a total of \$18.4 million out of TE and into other programs as allowed by Uniform Transferability Provision. This is a significant decrease from 2007, when \$27.9 million were transferred. All funds transferred in FY 2008 were transferred to the FTA for TE-eligible activities, or to the National Highway System (NHS) or the Recreational Trails Program (RTP). Table 5, in Appendix D, on page 29, provides a comparison of transfers from TE since FY 2002. Since 2002, \$130.6 million have been transferred, the majority of which has gone to the FTA (\$92.3 million, or 71%).

The total amount transferred to date, \$146 million, accounts for only 1.6% of cumulative available funds. This very small percentage of available funds does not significantly detract from the funding of TE activities. Furthermore, TE funds transferred to the FTA are used for TE-eligible projects. Funds transferred to the NHS have been used primarily for highway rest areas. Funds transferred to the RTP have been used for hiking trails and trail-related facilities.

Distribution of TE Programming

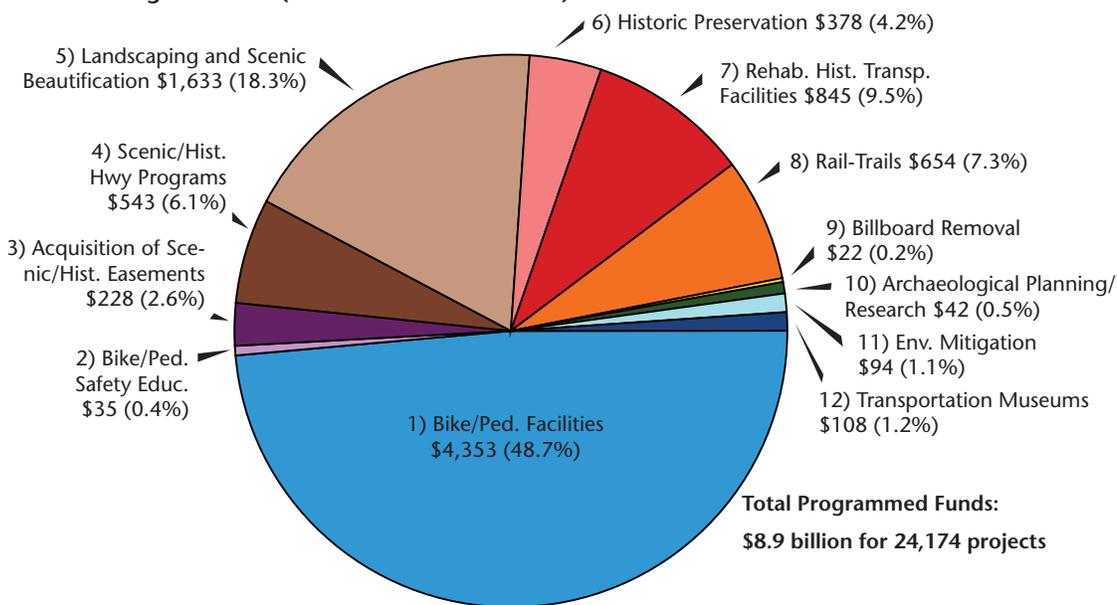
One of the most important uses of NTEC’s national TE project list is interpreting how TE funds are being spent across the 12 eligible activities. The funding levels represented in this database are programming numbers, not obligations. In order to more fully understand the programming data results, it is important to note that programming numbers are obtained through a voluntary survey of state DOTs.

Data Results by Transportation Enhancement Activity

Figure 6, below, illustrates the distribution of funds across all 12 activities for FY 2008. Overall, the percentages have shifted only slightly from previous years. Bicycle and pedestrian facilities (Activity 1) received almost half of all programmed funds at 48.7%. The average Activity 1 project funding award is \$357,217, lower than for the average TE project including all categories (\$369,621).

Activities 4, 5, 6, and 7 (grouped together) account for the second largest percentages of funding. Activity 5, landscaping and scenic beautification, accounts for 18.3% of TE funds. The majority of projects in the landscaping and scenic beautification category involve landscaping along highways and at interchanges, including native wildflower planting. Streetscape projects are also popular in this category, and

**Figure 6: Distribution of Federal Funds by TE Activity
FY 1992 through FY 2008 (Federal funds in millions)**



Project Count for Each Category:

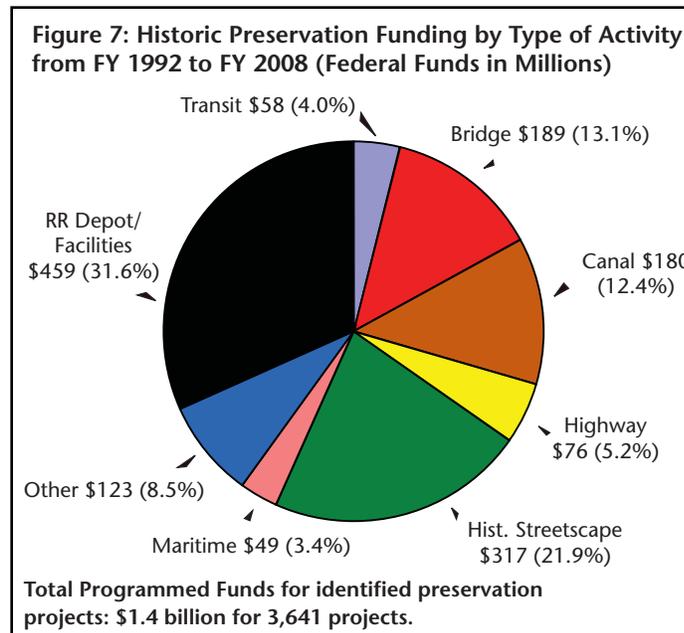
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
|--------|-----|-----|-------|-------|-------|-------|-------|----|-----|-----|-----|
| 12,186 | 199 | 369 | 1,018 | 5,127 | 1,180 | 1,969 | 1,274 | 62 | 190 | 353 | 247 |

their numbers have been increasing. The average Activity 5 project funding award is \$318,579, lower than for the average project. Landscaping and scenic beautification projects generally require less preliminary engineering, right-of-way acquisition, and permitting than other types of TE projects and generally can be completed more quickly.

Average funding for Activity 4 projects, scenic or historic highway programs, was \$533,516, higher than the average TE project. Over one third of these projects are visitor centers. Many also pertain to restoration of historic highway facilities such as gas stations, stagecoach inns, ferry landings, or other highway-related infrastructure. Activity 4 projects account for less than 7% of all TE funds, however.

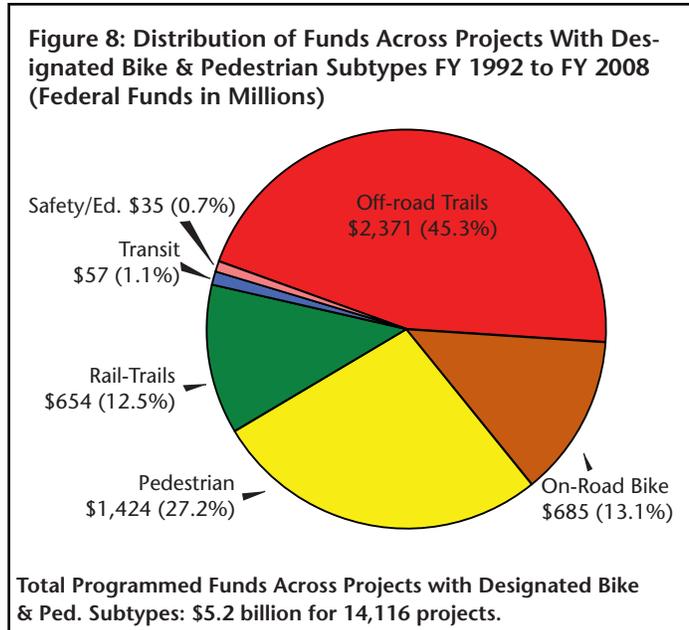
Activities 6 and 7, historic preservation and rehabilitation of historic transportation facilities together account for 13.7% of funding. While this percentage has continued to decrease since FY 2000, funding for these categories fills a continuing need and desire in many states to preserve the historic texture and meaning of our local, state, and national transportation infrastructure. These projects include both operational transportation facilities, as well as buildings that relate to surface transportation by enhancing the travel experience, but do not serve primarily as transportation facilities, such as historic hotels. Figure 7, above, illustrates the distribution of TE programmed funds to historic preservation activities (primarily but not limited to categories 6 and 7) roughly categorized by transportation facility types. This figure also includes TE projects outside of categories 6 and 7 that have a strong historic preservation component.

The category labeled 'Other,' which includes schools, city halls, and historic houses, encompasses a significant portion of TE historic preservation projects and funding; however, the preservation and rehabilitation of railroad station/depots comprises the largest share of the funding for these projects. Projects that involve historic streetscapes, bridges, highways, maritime facilities (lighthouses, historic canal boats, docks), canals, transit, and other railroad facilities (locomotives, maintenance shops, and other railroad infrastructure) also receive a substantial amount of TE funding, useful for the protection and maintenance of the historical integrity of these resources.



Bicycle and Pedestrian Project Subtypes

Historically, bicycle and pedestrian facilities have had the largest percentage share of programmed TE funds. NTEC tracks the distribution of funds within these activities as “subtypes” of the activities. State DOTs provide information on the subtype for each bicycle and pedestrian project in the project listing. Figure 8 presents the distribution of federal programmed funds to TE project categories with a strong bicycle and pedestrian component (primarily, but not limited to, TE Activities 1, 2, and 8). Many Activity 5 landscaping projects that are pedestrian-oriented streetscapes are included in this figure. As shown in the figure, off-road trails receive the most funding across these categories. Projects that focus on pedestrian facilities account for the second largest share of programmed TE funds, while respectively, on-road bicycle facilities and rail-trails comprise the next largest shares.



The cumulative amount of TE funds devoted to rail-trails has dropped from 14% in FY 1999 to 7.3% in FY 2008. The average rail-trail project received \$513,158 in TE funds. This figure is larger than funding for the average TE project. Rail-trail projects are often larger, more complex, and take longer to realize than other types of TE projects which may contribute to their declining numbers. Most of the more straightforward rail-trail projects have already been developed, and those that remain have complex ownership, valuation, and liability issues. In addition, the rate of railroad abandonment has decreased across the country as railroads have begun to retain corridors in hopes of restarting viable service. However, many extension and rail-with-trail projects remain.

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Future Programming

Seventeen states and the District of Columbia programmed 449 projects for future years (beyond 2008). Bicycle and pedestrian facilities account for 61.9% of future programmed funds, and landscaping projects will receive 20.5%, more than their current cumulative programming share. The percentage of funds programmed for all other types of projects are slightly lower than their current cumulative programming levels.

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

Programmed Federal Awards and Match Rates

NTEC's national project list provides funding information on a project-by-project basis. These data allow NTEC to analyze the average project award in each state. Table 3, page 24, illustrates that in FY 2008 the average federal project award was \$369,621 nationwide. Average awards by state varied from \$100,573 in Montana to \$1,385,341 in Hawaii.

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

Each state DOT establishes its own guidelines and requirements for providing the non-federal share of project costs. States require local sponsors to provide a share of project costs. The amount required varies by state. Arizona, for example, with its large federal land holdings and higher federal share, passes along the "savings" in non-federal share by requiring only a 5.7% match of total project costs by project sponsors.

Maryland, on the other hand, requires a 50% match by project sponsors in order to spread the available federal funds across more projects. Some states (e.g. Florida, New Jersey, and Pennsylvania) use toll credits to supplement sponsor contributions and meet non-federal share requirements. All states are allowed by law to count the value of donations (i.e. cash, land, materials, or services) towards the non-federal share. Some states recognize these in-kind donations as part of the non-federal share, others do not. An overview of state-specific policies can be found on the NTEC Web site.

States report non-federal share information to NTEC in different ways. Some states report the entire non-federal share of projects costs, while others (e.g. Florida) report only the portion of the non-federal share that the sponsor actually pays, and not the portion supplied by toll credits. Some states report the value of in-kind donations, others do not. Table 3 provides information on matching fund levels reported by each state.

In FY 2008, the average national match rate was 28.7%. As in previous years, this rate surpassed the Federal Share required under 23 U.S.C. 120. Table 3 shows that 39 states had a match rate higher than 20%, and 20 of these states had a rate higher than the national average. Overall, this higher national match rate is attributable to state policies that encourage or require a higher non-federal share, project sponsors voluntarily providing more funds than required, or the state choosing not to use federally-approved procedures for reducing or eliminating the required non-federal share.

**Table 3: Cumulative Programmed Federal Awards and Matching Funds
FY 1992 through FY 2008**

| State | Project Count | Federal Awards | Avg. Federal Award | Matching Funds | Match Rate* |
|----------------|----------------------|------------------------|---------------------------|------------------------|--------------------|
| Alabama | 775 | \$175,297,844 | \$226,191 | \$43,385,331 | 19.8% |
| Alaska | 252 | \$123,887,847 | \$491,618 | \$14,840,121 | 10.7% |
| Arizona | 421 | \$167,110,212 | \$396,936 | \$52,974,837 | 24.1% |
| Arkansas | 428 | \$106,377,157 | \$248,545 | \$49,468,427 | 31.7% |
| California | 1330 | \$881,466,436 | \$662,757 | \$464,336,894 | 34.5% |
| Colorado | 546 | \$121,257,074 | \$222,083 | \$53,802,623 | 30.7% |
| Connecticut | 179 | \$121,054,389 | \$676,282 | \$30,263,599 | 20.0% |
| Delaware | 139 | \$44,907,024 | \$323,072 | \$39,533,954 | 46.8% |
| Dist. Of Col. | 87 | \$33,815,692 | \$388,686 | \$8,598,467 | 20.3% |
| Florida | 1206 | \$442,792,409 | \$367,158 | \$16,575,861 | 3.6% |
| Georgia | 870 | \$375,229,612 | \$431,298 | \$105,984,628 | 22.0% |
| Hawaii | 37 | \$51,257,633 | \$1,385,341 | \$18,883,572 | 26.9% |
| Idaho | 142 | \$46,458,549 | \$327,173 | \$11,255,810 | 19.5% |
| Illinois | 470 | \$295,111,820 | \$627,897 | \$75,975,599 | 20.5% |
| Indiana | 506 | \$276,027,742 | \$545,509 | \$118,898,484 | 30.1% |
| Iowa | 621 | \$160,996,329 | \$259,253 | \$118,271,445 | 42.4% |
| Kansas | 293 | \$148,375,129 | \$506,400 | \$82,557,829 | 35.7% |
| Kentucky | 763 | \$177,785,732 | \$233,009 | \$54,633,674 | 23.5% |
| Louisiana | 396 | \$116,181,466 | \$293,388 | \$20,931,401 | 15.3% |
| Maine | 207 | \$47,817,437 | \$231,002 | \$14,614,407 | 23.4% |
| Maryland | 260 | \$175,299,661 | \$674,229 | \$254,141,049 | 59.2% |
| Massachusetts | 240 | \$83,708,333 | \$348,785 | \$22,781,943 | 21.4% |
| Michigan | 1248 | \$307,758,936 | \$246,602 | \$139,527,225 | 31.2% |
| Minnesota | 452 | \$209,914,793 | \$464,413 | \$151,966,334 | 42.0% |
| Mississippi | 214 | \$86,246,221 | \$403,020 | \$28,403,395 | 24.8% |
| Missouri | 794 | \$204,552,677 | \$257,623 | \$97,911,943 | 32.4% |
| Montana | 596 | \$59,941,506 | \$100,573 | \$24,922,740 | 29.4% |
| Nebraska | 592 | \$79,827,826 | \$134,844 | \$50,600,820 | 38.8% |
| Nevada | 142 | \$73,599,585 | \$518,307 | \$20,245,702 | 21.6% |
| New Hampshire | 230 | \$71,963,781 | \$312,886 | \$24,612,668 | 25.5% |
| New Jersey | 348 | \$130,167,557 | \$374,045 | \$78,507,297 | 37.6% |
| New Mexico | 375 | \$100,626,067 | \$268,336 | \$33,550,522 | 25.0% |
| New York | 498 | \$337,442,493 | \$677,595 | \$176,973,898 | 34.4% |
| North Carolina | 900 | \$249,020,575 | \$276,690 | \$67,717,611 | 21.4% |
| North Dakota | 223 | \$50,738,753 | \$227,528 | \$21,843,273 | 30.1% |
| Ohio | 626 | \$295,573,634 | \$472,162 | \$86,284,857 | 22.6% |
| Oklahoma | 349 | \$131,722,840 | \$377,429 | \$36,213,733 | 21.6% |
| Oregon | 186 | \$95,319,166 | \$512,469 | \$37,589,751 | 28.3% |
| Pennsylvania | 927 | \$408,086,921 | \$440,223 | \$58,892,796 | 12.6% |
| Rhode Island | 227 | \$62,157,348 | \$273,821 | \$13,396,514 | 17.7% |
| South Carolina | 610 | \$89,554,912 | \$146,811 | \$40,879,324 | 31.3% |
| South Dakota | 197 | \$40,107,060 | \$203,589 | \$21,042,208 | 34.4% |
| Tennessee | 579 | \$217,672,103 | \$375,945 | \$52,209,841 | 19.3% |
| Texas | 515 | \$638,904,671 | \$1,240,592 | \$149,267,252 | 18.9% |
| Utah | 145 | \$57,558,449 | \$396,955 | \$21,686,911 | 27.4% |
| Vermont | 306 | \$49,818,382 | \$162,805 | \$16,535,356 | 24.9% |
| Virginia | 605 | \$239,359,961 | \$395,636 | \$291,735,954 | 54.9% |
| Washington | 718 | \$180,429,458 | \$251,295 | \$98,503,970 | 35.3% |
| West Virginia | 468 | \$80,228,769 | \$171,429 | \$20,086,385 | 20.0% |
| Wisconsin | 607 | \$165,679,635 | \$272,948 | \$48,281,875 | 22.6% |
| Wyoming | 329 | \$49,018,495 | \$148,992 | \$9,893,714 | 16.8% |
| TOTAL | 24174 | \$8,935,208,101 | \$369,621 | \$3,591,993,824 | 28.7% |

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

Conclusion

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

The 12 TE activities were funded at similar percentages as in past years with some minor adjustments. Activity 1, bicycle and pedestrian related facilities, continues to be the highest funded activity type. The percentage of historic preservation rehabilitation projects and rail-trails declined slightly while the number of landscaping and scenic beautification projects increased.

In addition to the cumulative obligation rate methodology, NTEC provides two other methods to help clarify spending patterns. The three methods allow for a more complete understanding of TE spending trends.

- **Cumulative Obligation Rate:** FHWA's stated goal for the national cumulative obligation rate of the TE program is at least 75%. This goal was met in FY 2004. This year, the cumulative national obligation rate held constant from FY 2007 at 80%. However, this is partially because of rescissions of unobligated TE funds.
- **Obligation of Yearly Apportionment:** Although many states have made clear progress in efficiently implementing TE projects, yearly obligations continue to fall short of the 75% goal. Obligations of yearly apportionments fell in 2008 from 73.0% to 63.8%, comparable to the FY 2006 level (64.6%).
- **Obligation of Available Balance:** Obligations of available balance declined in 2008 from 25.5% to 22.1%. This statistic emphasizes the continuing accumulation of unobligated funds at the national level. However, it should be noted that many states do not have large unobligated balances. In fact, just 15 states receiving only 28% of apportionments in 2008 are responsible for half of the national unobligated balance.

Data indicate that there is a lag between selection and implementation of TE projects. The delay between project selection and obligation yields lower obligation rates compared to programming rates. Delays may be caused by: lengthy review processes; unprepared and inexperienced project sponsors; and state priorities and procedures for obligating TE projects. Of these, state priorities may be the most important as indicated by the higher obligation rates in nearly every other Federal-aid highway spending category. States have the flexibility to prioritize and distribute obligation limitation among the various programs. This discretion has had an impact on the overall spending of TE funds.

It is clear that once projects become obligated, states are committed to completing them and being reimbursed by FHWA. Nationwide, the cumulative reimbursement rate is well above 80%. Unobligated funds, however, mean unrealized TE projects. These unrealized projects could bring social, economic and mobility benefits to communities. More remains to be done to make TE projects a greater priority and bring states' obligation rates to the level of other Federal-aid highway programs.

Appendix A: Recovery Act TE Funds

President Obama signed the American Recovery and Reinvestment Act (ARRA) on February 19, 2009. The Act included \$27.5 billion for Federal Highway Administration programs. After some mandatory allocations, 3% of this sum was set aside for Transportation Enhancements, or roughly \$800 million. This figure is roughly equivalent to the amount set aside each year for TE under SAFETEA-LU. However, as part of the Recovery Act program, these funds are governed by slightly different rules than traditional TE funds. The most notable difference is that the federal government does not require any local match for projects completed with these funds. In addition, the Act imposed a phased timeline by which the funds must be spent after apportionment to each state, or be withdrawn and redistributed to other states. Table 4 shows the TE funds apportioned to each state on March 2, 2009. A future NTEC report will document how these funds were spent and analyze the significance of the ARRA for TE.

Table 4: Transportation Enhancements Funds from the American Recovery and Reinvestment Act of 2009

| State | TE ARRA Funds | State | TE ARRA Funds |
|----------------------|---------------|----------------|----------------------|
| Alabama | \$15,410,762 | Montana | \$6,353,802 |
| Alaska | \$5,263,845 | Nebraska | \$7,067,678 |
| Arizona | \$15,658,752 | Nevada | \$6,040,574 |
| Arkansas | \$10,546,334 | New Hampshire | \$3,883,217 |
| California | \$77,087,050 | New Jersey | \$19,553,234 |
| Colorado | \$12,117,724 | New Mexico | \$7,579,331 |
| Connecticut | \$9,061,619 | New York | \$33,620,542 |
| Delaware | \$3,654,860 | North Carolina | \$22,065,801 |
| District of Columbia | \$3,705,235 | North Dakota | \$5,103,795 |
| Florida | \$40,402,050 | Ohio | \$28,070,311 |
| Georgia | \$27,947,570 | Oklahoma | \$13,939,657 |
| Hawaii | \$3,772,391 | Oregon | \$10,017,072 |
| Idaho | \$5,458,039 | Pennsylvania | \$30,792,870 |
| Illinois | \$28,067,781 | Rhode Island | \$4,112,872 |
| Indiana | \$19,739,031 | South Carolina | \$13,892,444 |
| Iowa | \$10,744,873 | South Dakota | \$5,490,821 |
| Kansas | \$10,434,515 | Tennessee | \$17,181,031 |
| Kentucky | \$12,632,850 | Texas | \$67,500,454 |
| Louisiana | \$12,895,783 | Utah | \$6,406,370 |
| Maine | \$3,922,561 | Vermont | \$3,773,739 |
| Maryland | \$12,931,043 | Virginia | \$20,833,825 |
| Massachusetts | \$13,135,958 | Washington | \$14,767,270 |
| Michigan | \$25,416,145 | West Virginia | \$6,325,566 |
| Minnesota | \$15,068,525 | Wisconsin | \$15,873,357 |
| Mississippi | \$10,636,930 | Wyoming | \$4,728,482 |
| Missouri | \$19,113,660 | TOTAL | \$799,800,001 |

Appendix B: NTEC Resources

National Transportation Enhancements Clearinghouse (NTEC)

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

Available Resources and Expertise:

- Web site with project examples, searchable project database, contact information for TE professionals in each state, and downloadable documents: www.enhancements.org.
- State Transportation Enhancement Program Profiles outlining project nomination, selection, and funding procedures for each state.
- Photo Library providing high resolution images of TE projects from around the nation with background on the specific project and its location.
- Documents (including this report), guidebooks, reports, and manuals related to Transportation Enhancements in PDF and/or print format, all free of charge. Documents include:
 - **Enhancing America's Communities: A Guide to TE**
This 40 page brochure covers the history of the TE program, how TE funds are distributed, and the project development process. It also provides fifteen case studies of outstanding TE projects across the country.
 - **Communities Benefit! The Economic and Social Benefits of Transportation Enhancements**
This full-color pamphlet showcases ten outstanding Transportation Enhancement projects from around the country, highlighting economic and social impacts on local communities.
 - **FHWA Guidance on Transportation Enhancements**
This technical document guides states in the proper implementation of the TE program, and includes information on eligibility, environmental review, real estate acquisition, and more. NTEC staff can also provide answers to specific questions concerning the Guidance. Includes 10 previous FHWA Guidance Memoranda that remain valid as appendices.
 - **Financing Federal-Aid Highways**
This technical report follows the financial process from inception in an authorization act to payment from the Highway Trust Fund (HTF), and includes discussion of the congressional and Federal agency actions that occur throughout.

All publications are on the NTEC Web site (www.enhancements.org) or can be obtained by calling 888-388-NTEC (6838).

Appendix C: Federal-Aid Financing Terminology

Apportionments are the funds distributed among the states as prescribed by statutory formula. Transportation Enhancement funds represent a minimum 10% set aside of each state's Surface Transportation Program (STP) funds, plus 10% of the portion of Equity Bonus Program distributed to the STP.

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

Obligations represent a second step in the spending process. An obligation is the formal commitment of a specified amount of funding for a particular project. Technically speaking, it is an obligation of the FHWA to reimburse a state for eligible costs incurred. It represents a high level of commitment on the part of both the state DOT and the FHWA to fund a project. Obligations are typically made when a project or discrete project phase is ready to have consultants or contractors begin billable work. Obligations are tracked in the FHWA financial accounting system known as the Fiscal Management Information System (FMIS). It should be noted that obligation figures by definition include a mix of both completed and soon-to-be completed work.

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

Rescissions are funds removed from apportionments, by Act of Congress. When funds are removed in this manner, they are no longer counted as apportioned funds: it's as though they never occurred. While Congress sets the total rescission amount, FHWA calculates the share each state is responsible for based on the original distribution of Federal-Aid funds. The states in turn are required to return those funds. In the past, states had discretion over how to assign the rescissions among their Federal-Aid programs. For the FY 2008 rescission, the 2007 Energy Independence and Security Act required that states distribute the rescission proportionately over their Federal-Aid programs, within a margin of 10%.

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

Appendix D: Additional Tables

Table 5: Transfers of TE Funds (to Federal Transit Administration, National Highway Program, and Recreational Trails Program)

| State | FY 2002 | FY 2003 | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | Total TE Funds Transferred FY 2002-2008 |
|------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---|
| California | \$2,677,000 (FTA) | \$7,883,000 (FTA) | \$4,561,000 (FTA) | \$3,425,500 (FTA) | \$476,000 (FTA) | \$8,204,000 (FTA) | \$1,352,472 (FTA) | \$25,901,972 |
| Colorado | \$257,292 (FTA) | \$325,000 (FTA) | \$28,000 (FTA) | \$226,872 (FTA) | | \$197,000 (FTA) | \$178,945 (FTA) | \$1,213,109 |
| Connecticut | | | | | | \$1,680,000 (FTA) | | \$1,680,000 |
| Florida | \$168,000 (FTA) | | | \$500,000 (FTA) | \$600,000 (FTA) | \$432,000 (FTA) | \$300,000 (FTA) | \$2,000,000 |
| Louisiana | | | | | | | \$7,201,315 (NHS) | \$7,201,315 |
| Michigan | \$185,840 (FTA) | | | | \$1,392,000 (FTA) | \$74,360 (FTA) | \$49,320 (FTA) | \$4,171,520 |
| Missouri | \$294,790 (FTA) | \$1,562,800 (FTA) | | | | | \$2,470,000 (NHS) | \$4,062,660 |
| Nevada | \$1,340,060 (NHS) | \$787,385 (NHS) | | | | | \$77,625 (FTA) | \$4,062,660 |
| New Jersey | | \$1,000,000 (FTA) | \$1,000,000 (FTA) | | \$1,000,000 (FTA) | | \$379,933 (NHS) | \$379,933 |
| New York | | \$980,000 (FTA) | | | | \$1,850,000 (FTA) | \$1,000,000 (FTA) | \$5,850,000 |
| Ohio | \$196,000 (FTA) | | \$184,800 (FTA) | \$325,600 (FTA) | \$31,808,560 (FTA) | \$2,000,000 (FTA) | \$2,000,000 (FTA) | \$4,980,000 |
| Pennsylvania | | | \$640,150 (FTA) | \$40,024 (FTA) | | \$1,422,200 (FTA) | | \$32,514,960 |
| Rhode Island | | \$88,800 (FTA) | | | | | | \$2,102,374 |
| Tennessee | \$790,617 (RTP) | \$225,547 (RTP) | | | | \$100,000 (RTP) | \$277,778 (RTP) | \$88,800 |
| Texas | \$2,752,320 (FTA) | | \$1,804,741 (FTA) | \$179,650 (NHS) | | | | \$1,393,942 |
| Vermont | | \$310,684 (FTA) | | | | | | \$10,433,975 |
| Virginia | \$6,350,686 (NHS) | | | | | \$10,427,515 (NHS) | \$2,035,460 (NHS) | \$310,684 |
| Washington | \$1,232,333 (FTA) | | | | \$1,044,000 (FTA) | \$1,464,947 (FTA) | \$1,037,500 (FTA) | \$18,813,661 |
| Wisconsin | | | | | | \$34,400 (FTA) | | \$4,778,780 |
| Subtotals | | | | | | | | \$34,400 |
| to FTA | \$7,763,575 | \$12,150,284 | \$8,218,691 | \$4,517,996 | \$36,320,560 | \$17,358,907 | \$5,995,862 | \$92,325,875 |
| to NHS | \$7,690,746 | \$787,385 | \$5,697,264 | \$179,650 | | \$10,427,515 | \$12,086,708 | \$36,869,268 |
| to Rec Trails | \$790,617 | \$225,547 | | | | \$100,000 | \$277,778 | \$1,393,942 |
| TOTAL | \$16,244,938 | \$13,163,216 | \$13,915,955 | \$4,697,646 | \$36,320,560 | \$27,886,422 | \$18,360,348 | \$130,589,085 |

Table 6: Yearly Rescissions to TE (in thousands of dollars)

* This percentage shows the proportion of the rescission taken from TE over the total rescission taken from the state in the given fiscal year. When a cell is blank, this means that the state did not rescind any TE funds in that fiscal year, and the funds required to be returned to FHWA must have been rescinded from other Federal-aid programs. If the percentage column shows 100%, this means that the entire rescission for that year was taken from TE. The first row of the table shows the size of the TE Program nationally relative to the Federal-aid Highway Program as a whole, for reference. This table shows that in 2002 and 2008, FHWA required rescissions to be proportionately administered among all Federal-aid programs, and so the statistic shown in the percentage columns for those years is roughly equivalent to the size of the TE program relative to the Federal-aid Highway Program as a whole in that fiscal year.

| State | 2002 | %* | 2003 | %* | 2004 | %* | 2005 | %* | 2006 | %* | 2007 | %* | 2008 | %* | Total |
|--------------------------|------|----|--------|------|--------|------|--------|-----|---------|-----|---------|-----|--------|----|---------|
| TE as a % of Federal-aid | | 2% | | 2% | | 3% | | 3% | | 3% | | 2% | | 2% | |
| Alabama | -189 | 3% | | | | | -8,102 | 35% | -13,186 | 18% | -25,225 | 31% | -2,195 | 4% | -48,895 |
| Alaska | -94 | 3% | | | | | -728 | 7% | -3,001 | 10% | -6,220 | 18% | -738 | 2% | -10,781 |
| Arizona | -178 | 3% | | | | | | | | | | | -2,138 | 3% | -2,316 |
| Arkansas | -132 | 3% | | | -61 | 2% | -7,000 | 45% | -14,245 | 29% | | | -1,416 | 4% | -22,853 |
| California | -848 | 3% | | | | | | | -23,862 | 7% | -9,675 | 2% | -9,448 | 3% | -43,833 |
| Colorado | -134 | 3% | | | | | | | -9,414 | 18% | -0 | 0% | -1,494 | 3% | -11,042 |
| Connecticut | -103 | 2% | -3,410 | 100% | -2,810 | 100% | -7,144 | 42% | -9,967 | 18% | -5,000 | 8% | -1,121 | 2% | -29,552 |
| Delaware | -45 | 3% | | | | | | | | | -257 | 1% | -410 | 3% | -712 |
| Dist. Of Col. | -39 | 3% | | | | | | | -5,655 | 31% | -2,281 | 12% | -365 | 3% | -8,340 |
| Florida | -496 | 3% | -838 | 7% | | | | | -10,809 | 6% | -27,327 | 13% | -6,207 | 4% | -45,677 |
| Georgia | -369 | 3% | | | | | | | -3,067 | 17% | -1,500 | 8% | -469 | 3% | -5,083 |
| Hawaii | -46 | 3% | | | | | | | -13,857 | 50% | -971 | 3% | -696 | 3% | -15,586 |
| Idaho | -63 | 3% | | | | | | | -14,168 | 11% | -6,784 | 5% | -3,621 | 3% | -29,312 |
| Illinois | -313 | 3% | | | | | -4,426 | 10% | -83 | 0% | -6,016 | 5% | -2,865 | 3% | -9,208 |
| Indiana | -245 | 3% | | | | | | | -4,218 | 9% | | | -1,148 | 3% | -5,486 |
| Iowa | -120 | 3% | | | | | | | | | -4,000 | 8% | | | -4,131 |
| Kansas | -131 | 3% | | | | | | | | | | | -1,473 | 3% | -1,884 |
| Kentucky | -154 | 3% | -257 | 6% | | | | | -17,630 | 28% | -401 | 1% | -1,320 | 3% | -19,492 |
| Louisiana | -141 | 3% | | | | | | | | | -5,689 | 28% | -435 | 3% | -8,697 |
| Maine | -48 | 3% | -1,376 | 100% | -1,151 | 100% | | | | | | | -1,560 | 3% | -1,702 |
| Maryland | -142 | 3% | | | | | | | | | | | | | |
| Massachusetts | -146 | 2% | | | | | | | | | -25,228 | 32% | -1,511 | 3% | -26,884 |
| Michigan | -341 | 3% | | | | | | | -12,750 | 11% | -7,000 | 5% | -3,400 | 4% | -23,491 |
| Minnesota | -172 | 4% | | | | | | | | | -6,052 | 9% | -2,132 | 4% | -8,357 |
| Mississippi | -130 | 3% | | | | | -2,016 | 13% | | | | | -1,349 | 4% | -3,495 |
| Missouri | -217 | 3% | | | | | -833 | 3% | -2,701 | 3% | -2,692 | 3% | -2,247 | 3% | -8,690 |
| Montana | -71 | 2% | | | | | | | | | | | -742 | 2% | -812 |
| Nebraska | -84 | 3% | | | | | -6,735 | 63% | -8,004 | 26% | -1,000 | 3% | -539 | 2% | -16,361 |

Table 6 Continued: Yearly Rescissions to TE (in thousands of dollars)

| State | 2002 | % | 2003 | % | 2004 | % | 2005 | % | 2006 | % | 2007 | % | 2008 | % | Total |
|----------------|---------------|-----------|----------------|-----------|----------------|------------|----------------|-----------|-----------------|------------|-----------------|-----------|----------------|-----------|-------------------|
| Nevada | -66 | 3% | | | | | | | -3,000 | 12% | -6,803 | 22% | -741 | 3% | -10,609 |
| New Hampshire | -46 | 3% | | | | | | | | | | | -492 | 3% | -538 |
| New Jersey | -192 | 2% | | | | | | | -10,659 | 10% | -11,751 | 10% | -2,260 | 3% | -24,862 |
| New Mexico | -83 | 3% | | | | | -3,230 | 28% | -11,992 | 32% | -7,840 | 19% | -834 | 3% | -23,977 |
| New York | -347 | 2% | | | | | | | | | | | -3,667 | 2% | -4,014 |
| North Carolina | -274 | 3% | -1,352 | 20% | | | | | -13,531 | 13% | -13,536 | 11% | -2,995 | 3% | -31,689 |
| North Dakota | -56 | 3% | | | | | | | -2,280 | 9% | -7,000 | 25% | -553 | 3% | -9,889 |
| Ohio | -317 | 3% | | | -6,898 | 100% | | | -32,000 | 23% | -276 | 0% | -3,641 | 3% | -43,131 |
| Oklahoma | -163 | 3% | -4,248 | 100% | -3,543 | 100% | | | -9,000 | 14% | -8,000 | 12% | -1,841 | 4% | -26,793 |
| Oregon | -115 | 3% | | | | | | | -32,646 | 69% | | | -1,042 | 3% | -33,803 |
| Pennsylvania | -314 | 2% | | | | | | | | | -918 | 0% | -3,227 | 2% | -4,459 |
| Rhode Island | -46 | 2% | | | | | | | | | | | -372 | 2% | -418 |
| South Carolina | -176 | 3% | | | | | | | | | | | -1,953 | 4% | -2,129 |
| South Dakota | -63 | 3% | -1,772 | 100% | -1,445 | 100% | -8,450 | 100% | -14,963 | 57% | | | -664 | 3% | -27,353 |
| Tennessee | -208 | 3% | -161 | 3% | -133 | 3% | -913 | 4% | -3,187 | 4% | -3,724 | 4% | -2,138 | 3% | -10,463 |
| Texas | -821 | 3% | | | -5,340 | 33% | -3,755 | 4% | -222,951 | 73% | -114 | 0% | -8,767 | 3% | -241,749 |
| Utah | -69 | 3% | | | | | -1,504 | 14% | -5,400 | 19% | | | -710 | 3% | -7,683 |
| Vermont | -44 | 3% | | | | | | | | | | | -365 | 3% | -409 |
| Virginia | -257 | 3% | | | | | | | -4,075 | 4% | -6,219 | 5% | -2,556 | 3% | -13,107 |
| Washington | -166 | 3% | | | | | | | -9,434 | 13% | -1,795 | 2% | -1,573 | 3% | -12,967 |
| West Virginia | -71 | 3% | | | | | | | | | -764 | 2% | -770 | 3% | -1,605 |
| Wisconsin | -215 | 3% | -4,803 | 100% | | | | | -60,027 | 82% | -28,834 | 34% | -2,390 | 4% | -96,267 |
| Wyoming | -43 | 2% | | | | | | | | | | | | | -43 |
| Total | -9,346 | 3% | -18,218 | 7% | -21,381 | 10% | -54,836 | 4% | -601,763 | 16% | -246,574 | 6% | -98,461 | 3% | -1,050,577 |

Photo Credits

p.5: (1) National Transportation Enhancements Clearinghouse; (2) City of Kirkland, Wash.; (3) National Transportation Enhancements Clearinghouse (4) Virginia Civil War Trails, Inc.; (5) National Transportation Enhancements Clearinghouse; (6) National Transportation Enhancements Clearinghouse

p.6: (7) National Transportation Enhancements Clearinghouse; (8) National Transportation Enhancements Clearinghouse; (9) Society Created to Reduce Urban Blight (SCRUB); (10) North Carolina Department of Transportation; (11) National Transportation Enhancements Clearinghouse; (12) Pennsylvania Trolley Museum

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**NATIONAL TRANSPORTATION
ENHANCEMENTS CLEARINGHOUSE**

*A PROJECT OF THE FEDERAL HIGHWAY ADMINISTRATION
AND RAILS-TO-TRAILS CONSERVANCY*

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