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16. Abstract

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This study conducts an historical evaluation of federal and state discretionary funds from 1993 to 2000 to determine the distribution patterns in Region VI (Texas, Louisiana, New Mexico, Arkansas, and Oklahoma).

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A Study of Federal and State Discretionary Funding of Highway and Transit Projects in FTA Region VI 1993-2000

by

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and

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Research Report SWUTC/08/167622-1

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Southwest Region University Transportation Center

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June 2008

ABSTRACT

The divestiture of the Federal Highway Trust Fund gave local officials the financial resources necessary to encourage the development of new transportation-related projects. Under the auspices of the Intermodal Surface Transportation Efficiency Act (ISTEA), some of these projects included bikeways, alternatives fuels demonstration projects, and corridor beautification. ISTEA was not designed to hinder highway development and research, but encourage the implementation of alternate mobility strategies, especially in the country's urban cores. While ISTEA was the first attempt at discretionary funding, it was eventually replaced by the Transportation Efficiency Act for the 21 Century (TEA-21) and subsequently the Safe, Accountable, Flexible Efficient Transportation Equity Act- A Legacy for Users (SAFETEA-LU). Despite the efforts this legislation, most urban cores still seem dependent upon highways.

This study conducts an historical evaluation of federal and state discretionary funds from 1993 to 2000 to determine the distribution patterns in Region VI (Texas, Louisiana, New Mexico, Arkansas, and Oklahoma).

EXECUTIVE SUMMARY

Under the Intermodal Surface Transportation Efficiency Act (ISTEA), discretionary or flexible funds are those monies used for a variety of surface transportation projects, as determined by local officials, to meet local mobility needs. This study examined discretionary funds in Region VI (Texas, Louisiana, New Mexico, Arkansas, and Oklahoma), from 1993 to 2000.

During this period, Region VI received just over $193 million for projects related to congestion mitigation (CMAQ), surface transportation program (STP), and other mobility enhancement initiatives (for example, bicycle facilities and beautification projects). Texas received the largest share of Region VI funds (81 percent), followed by Louisiana (9 percent), New Mexico (6 percent), Oklahoma (2 percent) and Arkansas (2 percent).

Nearly $151 million dollars (78 percent of all discretionary funds) were earmarked for CMAQ-related projects throughout the region. Texas received just over $130 million or 86 percent of CMAQ funds. Almost $25 million in STP funds were allocated for Region VI. Louisiana received almost half of the STP dedicated funds (11.7 million, or 47 percent), followed by Texas (31 percent or $7.8 million), Arkansas (18 percent or $4.4 million), and New Mexico (4 percent or just under $1 million). Oklahoma was the only state in the region not to receive STP funding.

Other funds accounted for $18.4 million dollars; however, only two states received these funds. From 1993 to1999, more than 96 percent ($17.6 million dollars) of these funds went to Texas. In 2000, Arkansas received $795,691 in other funds.

After examining the types of discretionary funding, several findings emerged from this study.

1. The apportionment of Region VI's funds did not follow a discernable distribution pattern. Arkansas and Oklahoma did not receive CMAQ and STP funds; Texas and Arkansas were the only two states receiving other funds.
2. Researchers encountered problems tracking funds transferred to the state and obligated funds for projects in fiscal years1999 and 2000. States routinely used carry over funds from previous years with their annual awards. For example, New Mexico did not receive STP or CMAQ funds in 1999 or 2000; however, the state used carry over money from a previous year to implement a project.
3. The actual cost of a project was difficult to determine especially if the project was funded in stages or if the project was funded over a two to three year period. For example, New Mexico paid for environmental and engineering work in 1999 and in 2000. Researchers were unsure if a new project was created or if the same project from a prior year was continued. Additional data and detailed project descriptions would allow for better tracking.
4. While Louisiana, New Mexico, and Texas received CMAQ and STP funds, Texas was the only state to combine the funds on a project in the Dallas-Ft. Worth area. Texas was also the only state to use both 5307(urban) and 5311(rural) CMAQ and STP funds for transit related projects.

Unlike the Interstate Highway Act, ISTEA recognized the need to improve the nation's mobility without sacrificing neighborhood and environmental integrity. Likewise, the Transportation Equity Act for the 21st Century (TEA-21) continued to build on the successes of ISTEA by allowing flexible funding to solve urban transportation problems. The advantage of such flexible or discretionary funding is that those monies can be ear-marked for a variety of projects within any given region. Depending on the mobility needs, these projects can range in type from the purchasing of new buses to the construction of new commuter rail. Safe, Accountable, Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the third generation of mobility legislation, provided local officials even greater authority in addressing the specific mobility challenges in their given region.

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BACKGROUND

In the years prior to the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991, the nation's surface transportation emphasis was arguably focused primarily on the completion of, and modification to, the interstate highway system. While many continue debating the effect of interconnecting highway projects as contributing to urban sprawl, environmental decline, and increased dependence on foreign oil, the reality is that governmental policies supported, and in many instances, actually encouraged, single-occupant travel. Therefore, the principle focus of ISTEA was to encourage a regional and state dialogue on the feasibility of establishing alternative means of local travel. While many feared this would lead to an abandonment of the importance of the interstate system to urban mobility, ISTEA provided for the inclusion of transportation modes that previously received only scant attention from local and regional planners and public officials.

Particularly, the divestiture of the Federal Highway Trust Fund allowed alternative modes, particularly transit programs, to receive federal funds that were previously earmarked solely for highway-related projects. Traditionally, public transit was almost always seen as the chief competitor to the private automobile. The auto industry benefited from millions of federal dollars funneled into the various states for their highway projects under the auspices of the construction and maintenance of the interstate highway system. Therefore, the general consensus was that any federal monies spent on transit were dollars taken away from the auto and highway industries.

Nevertheless, the passage of ISTEA meant the federal government recognized the potential fiscal and mobility benefits of establishing linkages between various transportation modes. As a result, federal programs were established that would provide money to transportation modes that were previously under funded. ISTEA established the following set of goals for the establishment and funding of local and regional transportation modes and systems: lower overall transportation costs, increase productivity and efficiency, reduce congestion, generate higher returns on public infrastructure investments, improve mobility, and reduce energy consumption.

The primary focus of ISTEA was never to discourage highway development and research; instead it focused on encouraging the implementation of alternate mobility strategies, especially in the urban cores. America's largest cities continued experiencing high levels of congestion throughout the 1990s and, in many regions, congestion actually increased with continued urban population growth. In 1998, the US Congress replaced ISTEA with the Transportation Efficiency Act for the 21st Century (TEA-21), which not only continued the emphasis on funding alternate mobility strategies, but also encouraged the research and development of new fuel sources. Currently, the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005 (SAFETEA-LU) further emphasizes the goals of ISTEA and TEA-21. However, years after the initial passage of these three pieces of legislation, commuters are more dependent on highways and the single-occupant-vehicle than at any time in since World War II. Despite federal investments in new public transit technologies (for example, Bus Rapid Transit (BRT) and Light Rail Transit (LRT)), the dominance of the private automobile and the resultant congestion in the urban landscape was inescapable.

The issue of urban congestion brought about numerous challenges to regional planners and public officials. Strategies to alleviate congestion became the focal point in mobility plans as cities and regions sought innovative ways to control the negative affects of congestion while simultaneously improving mobility for a populace that was growing more and more impatient with years of inconvenience caused by highway construction. In addition to congestion, policy makers also faced the burden of insuring new mobility strategies were environmentally friendly as well as economically feasible in an environment that was becoming increasingly global in nature.

Even though federal funding for public transit systems was first initiated under the administration of President John F. Kennedy in 1962, this was seen as merely a gesture to encourage transit as an alternative mode to the private automobile which was still beyond the financial reach of many throughout the country, especially the nation's poor living in their respective urban cores. (FHWA TMIP retrieved October 2007.) It was not until the environmental movements and the energy crises of the 1970s that our country's leaders seriously began reevaluating the ever-increasing funding of highway-related projects and its associated health, social, economic, and environmental risks. As a result, ISTEA and its successors TEA-21 and SAFETEA-LU were developed largely to expand the nation's transit usage, encourage intermodalism, and strengthen the country's economic competitiveness in global markets.

Therefore, the need to create and maintain a high quality transportation infrastructure consisting of many different modes of travel was seen as a prerequisite for the development and preservation of a highly industrialized economy. As local economies and populations grew, the demand on the existing local transportation networks grew, often surpassing design capacities. At that point, local policymakers were forced to acknowledge congestion and its related mobility and social affects (for example, hours of lost productivity and the emerging social phenomenon of "road rage") as obstacles to efficient and desirable communities.

INTRODUCTION

In 1991, ISTEA provided local planners and policymakers with four programs that could be implemented using federal funds available through a transfer from the Federal Highway Administration to the Federal Transit Administration. Those programs were the Surface Transportation Program (STP), the Congestion Mitigation and Air Quality Improvement Program (CMAQ), the Interstate Substitute Fund, and the Federal Highway Administration (FHWA) Earmark Funds. While each of these programs were not specifically designed to fund transit-related projects, many planners and policymakers took advantage of the opportunity to fund projects for transportation modes other than highways that were previously unattainable due to limited monies available for transportation projects.

STP funds can be used for federally aided highway projects, bridge projects on public roads, transit capital projects, and bus terminals/facilities projects. STP funds are the largest beneficiary of transferred funds from the FHWA. At its highest, funding reached 80 percent Federal share for many non-highway related projects, particularly those local projects eligible for Federal Transit Administration (FTA) funds, excluding FTA Section 5307 operating assistance. CMAQ funds were often used to support transportation projects in areas where air quality was designated as "non-attainment." Any project receiving CMAQ assistance had to demonstrate how it would contribute to the attainment of the national air quality standards through the reduction of pollutant emissions from identified transportation sources.

Planners and policymakers often utilized the Interstate Substitute Funds for transit-related projects. However, these funds were restricted to projects that involved the following:

- construction and improvement of fixed guideways;
- purchasing rolling stock (buses) and other transit-related equipment; and
- projects eligible under FTA's Section 5309 capital grant program.

Those projects receiving funds through the FHWA Earmark were usually designated as "high-priority" under the guidelines established (TEA-21). Specifically, it prohibited using these funds for operating expenses. Allowable uses of earmark funds included capital expenditures for such projects as new construction, the purchase of buses, light rail cars, and other related expenditures.

When first introduced in 1991, ISTEA legislation provided the federal government with increased opportunities for funding various surface transportation programs. Transit officials believed ISTEA would provide the needed financial support to make transit competitive with other transportation modes in urban environments. In addition to the previously mentioned ISTEA programs, local policymakers and transit officials transferred millions of dollars from the highway coffers to specific transit-related projects through FTA Sections 5307, 5309, and 5311. Section 5307, formerly known as FTA Section 9, provided funds for transit capital and operating expenses. However, under certain conditions, states continued to use these funds for highway purposes. Section 5309, once known as Section 3, included three subcategories: new starts, rail modernization, and bus, which were subdivided further. Except for rail modernization, these

funds are purely discretionary. Sections 5311 and Section 5310, formerly known as Section 18 and section 16(b) (2), respectively, distributed funds by a formula to states for sub-allocation to rural areas. Section 5311 further provided financial assistance for the establishment of a rural general public transportation system, while Section 5310 provided aid for eligible rural human service transportation projects and programs.

While there were strict rules governing the funding process, many states used this flexibility to increase the amount of funding available for capital investment in transit-related projects. However, the nation's highway lobby believed the use of tax revenue for projects other than those that were highway and/or automobile related constituted a "diversion" from their pockets.

METHODOLOGY

The methodology for this study involves a case study approach in the evaluation of longitudinal data analysis of specific ISTEA programs (including CMAQ and STP) in the Federal Transit Authority's (FTA) designated Region VI, which includes the states of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. This region includes a socially and economically diverse population as well as a mix of large, medium and small urban areas, and suburban and rural communities. It is anticipated that such diversity among the six states of Region VI will provide findings that will be useful in making assumptions regarding other FTA regions throughout the country. Nonetheless, a detailed examination of other FTA regions will be the only way to accurately determine the successfulness of projects financed through discretionary funds and the ratio of federal funds used for highway projects versus non-highway projects.

This initial research lays the foundation for future study of the following: 1) the effectiveness of specific projects funded through the divestiture of highway funds throughout Region VI, and 2) the publishing of information for general public consumption on how to conceive and develop eligible projects that can be financed with federal dollars. For example, such projects might include highway beautification projects, the historic preservation of transportation facilities, projects that preserve the natural habitation of indigenous animals and plant life, walkways, bicycle paths, and linkages to intermodal stations. Discretionary funds, which are typically accessed via grants from the U.S. Department of Transportation to the local Municipal Planning Organization (MPO), continue to be vital for community development and enhancement. Armed with this knowledge, local citizen groups in concert with area planners and public officials will be able to play a larger role in preserving the esthetic nature of their communities while simultaneously addressing such concerns as pollution and congestion.

This study is organized to provide the reader with background on the historical development of the Intermodal Surface Transportation Efficiency Act (ISTEA) and its eventual successor, the Transportation equity act for the 21St Century (TEA-21). For years, academicians and planning practitioners have argued specific strategies they believe would reduce the negative effects of uncontrolled urban growth and suburbanization. Some of these strategies include increased funding of transit, broader uses of new technologies, and the establishment of new legislation that would force communities to diversify their modes of urban travel. Lastly, data from Region VI is presented and analyzed in a longitudinal form that allows the reader to easily identify trends among the six states.

LITERATURE REVIEW

Through the end of the 19th century, Americans appeared content to leave urban transportation to the ingenuity of a few enterprising individuals in the private sector. The national attitude favored less governmental influence in capitalistic ventures. As a result, those who held large amounts of real estate were free to influence urban development by dedicating areas for street development that would facilitate the flow of commercial and private traffic. As newer technology became available, the automobile and electric streetcars replaced the horse which only accelerated housing development outside the traditional limits of urban cores.

More than one hundred years later, Americans routinely travel tens of thousands of miles each year. Although many of the longer trips are now made via air, the remaining trips, considered short to medium in length and duration, remain dominated by the private automobile. However, local planners and governmental officials now acknowledge that the almost exclusive use of the single-occupant automobile for urban travel created environmental problems, particularly air pollution. Consequently, the Federal government initiated legislation designed to reduce automobile-related pollution while simultaneously exploring alternative mobility strategies. The result was the ISTEA and TEA 21 legislations which signaled a reversal of previous policies through the redistribution of funds that might be used to build or, in some cases, diversify and expand urban mobility through improved transit, bikeways, and pedestrian accesses (O'Toole, 1997).

The initial motive of ISTEA was the creation of balanced transportation systems that would not be based exclusively on a single mode or technology. Although ISTEA contained provisions that continued funding highway development and research, it also included flexible funding strategies dedicated to supporting transit and other innovative mobility alternatives. These "flexible funds" created intense competition among local officials and planners who wanted their individual "pet" projects funded (O'Toole, 1997).

Initial supporters of ISTEA argued that the diversion of highway user fees to alternative modes, like transit, could be accomplished without severely diminishing the nation's highway systems while improving air quality. ISTEA appropriated $1 billion per year for projects classified as Congestion Mitigation and Air Quality (CMAQ). Combined with the Surface Transportation Program (STP), CMAQ funded projects contributed to the overall reduction of local congestion and pollution.

Unfortunately, the fund has important counterproductive restrictions; the most significant stated that CMAQ funds cannot be spent on projects that would increase highway capacity for single occupant vehicles. Still, improvements in highway capacity could be funded as long as the project involved dedicated lanes for carpools and buses. Nonetheless, local planners and officials still had significant flexibility in using CMAQ and STP funds for their local projects. Such flexibility allowed them to identify and address local mobility issues without the cumbersome bureaucratic process previously experienced in getting funding approval.

The initial success ISTEA funding mechanisms were further improved with the passage of TEA-21. Local officials continued investing federal funds in projects that best met their local needs, including various forms of urban rail and intermodal projects. Supported by the Federal Government's emphasis in applying new technologies to improve safety, systems capacity, and reducing urban travel times, new partnerships were formed between the private and public sectors that greatly expanded investment in research and development. For example, the successful Intelligent Transportation Systems (ITS) and Global Positioning Satellite (GPS) systems were developed under the auspices of successful private – public partnerships (O'Toole, 1997).

In addition to new innovative partnerships, TEA-21 also guaranteed a minimum level of funding for highway and transit related programs. Previously, ISTEA allowed for the funding of surface transportation projects as one item among many on any given list of budget priorities (TEA 21, 2001). However, under the new budgetary rules introduced with TEA-21, surface transportation projects would be evaluated individually. For example, funding for highway related projects resulted in guaranteed amounts dedicated to actual Highway Trust Fund (HTF) highway accounts. Still, the project had to fall under the eligibility of federal highway and highway safety programs.

Furthermore, urban transit funding was guaranteed at selected fixed amounts throughout the TEA-21 period and was used only to support projects defined under eligible and approved transit programs. The least amount of the authorizations was estimated to be $198 billion. The full authorizations in the TEA-21 totaled almost $218 billion. For urban transit projects, the spending floor was based on the guaranteed amount specified in TEA-21 (TEA 21, 2001). The guaranteed funding levels assumed 80 percent of transit spending would be transferred from the Transit Account of the HTF and the remaining 20 percent would come from the general highway fund (TEA 21, 2001).

Another nuance found in TEA-21 was the limitation set aside for certain programs referred to as High Priority projects. Funding for such designated projects did not expire, even if they were not completely used by the end of the identified fiscal year. Instead, the funding was allowed to extend into future years. Additionally, funding limitations were established for research and technology programs whose funding was also allowed to carry over into succeeding fiscal years for a maximum of three years.

TEA-21 also established the Minimum Guaranteed Program that specified the levels (usually 90.5) of aggregate funding for CMAQ and STP projects to guarantee a return of investment. Under the Minimum Guaranteed Program, state officials received at least $1 million with a guarantee that CMAQ and STP projects requiring set aside funds for safety and transportation enhancements and sub-state allocation of funds would not apply. State officials were then allowed to divide the remainder of the funds among certain other programs (for example IM, NHS, and bridges) based on the share each state received for each program under TEA-21's program formula (TEA 21, 2001).

The literature review specifically addressing the ISTEA legislation/policies and projects illustrated the depth and breadth of the transportation challenges that faced our nation and society in the waning years of the 20th century. Many scholars and professional transportation practitioners had conflicting viewpoints of these challenges, especially those related to congestion and urban sprawl. Although the goal of reducing the harmful effects of congestion was universal, the diverse opinions of the best way(s) this could be accomplished proved that a single universally accepted solution did not exist.

Many scholars and practitioners published articles and books that favored increasing the availability of local public transit as a strategy in reducing the negative impacts of automobile-induced congestion. They noted that millions of urban Americans moved from the cities to the suburbs and other surrounding communities, because of affordable housing and the perceived improvement in quality educational opportunities for their children. The emphasis on patterns of urban flight (previously known as "white flight") was not to prove its existence, but rather to demonstrate its continued negative impacts on mobility and air quality resulting from perpetual daily traffic jams.

Furthermore, the literature favoring expanded public transit argued that local planning organizations generally failed to satisfactorily respond to the suburban demographic shifts. Instead of developing and/or expanding public transit systems that catered to the suburban market, it was found that local planning organizations continued focusing their attention and fiscal resources on building more highways and roads that eventually became congested over time. These authors criticized those that embraced the strategy that focused solely on building out of congestion, instead of considering a transportation "mix" that should have included the development of faster and more technologically efficient public transit systems that could be accessible to suburban commuters.

Maintaining the status quo (increased funding for highway projects to "build-out" of congestion) amounted to a short-term solution to a continuing long-term problem. Admittedly, new roads provided instant traffic relief. But, patterns indicated that within a window of time those corridors with either new construction or significant modifications eventually experienced levels of congestion comparable to their preconstruction levels. Conversely, it was believed that new technologies in public transit would have provided a long-term mobility solution with a resultant economic and social benefits not realized with continued highway construction supporting the private automobile (Kay, 1998; Wiecking, 1998; Stix, 1995; Jacobson, 1998; Winters 1998; Starkman, 1998).

While advocates of public transit recognized that buses and urban rail would not be a "cure-all" for urban mobility problems, they acknowledged that transit's full potential would not be realized without adequate systematic upgrades. Some of these upgrades are physical, as in increased security of transit facilities and patrons, while others are operational, for example the adherence to published schedules (Nelson, 1997).

However, with some form of systematic upgrade, transit's full potential may complement the automobile and other modes of transportation in a regional intermodal mix. Literature exists that

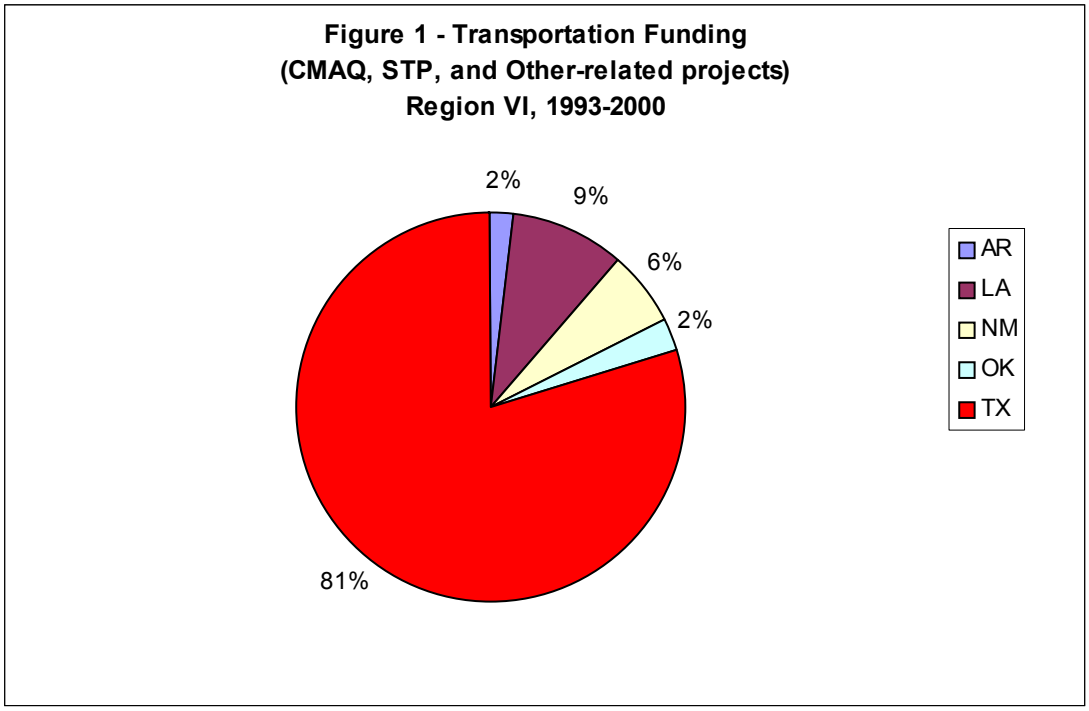
suggested that neither ISTEA nor TEA-21 attempted to encourage the dominance of the automobile or public transportation, but instead encouraged intermodalism. Additionally, the language of TEA-21 encouraged funding for projects like local motor safety programs, initiatives for increased seat belt use, research in the explicabilities of Intelligent Transportation Systems (ITS), bridge restoration and replacement, pedestrian walkways, express buses for local colleges, and seismic fortification in areas prone to earthquakes (Smallen, 1998; O'Brien et al, 1997; Paulson, 1997).

However, not all of the literature supported government funding as the optimal strategy. The article, "Subsidies and Inefficiency: Stochastic Frontier Approach," basically argued that subsidies are the enemy of efficiency. The authors found that government-supported subsidies tended to make the country's industrial complex complacent and mask the true cost of doing business. Furthermore, it was argued that subsidies actually impeded our country's market-based system for pricing goods and services by allowing labor unions to artificially inflate wages. The resulting increase costs (for example labor and fuel) would then be absorbed by the consumers (Sakano, 1997).

Aside from road construction as a strategy in relieving congestion, the literature also indicated that commuters continued their commitment to their private automobile, regardless of the social or economic impacts. Additionally, the politically influential highway lobbyists continued wielding their sizable clout among legislators who continued supporting projects that the automobile industry endorsed at the end of the 20th century (Bates, 1997).

DATA ANALYSIS

During the period 1993-2000, Region VI received over $193 million from the Federal Highway Administration (FHWA) for projects related to congestion mitigation (CMAQ), surface transportation (STP), and other mobility enhancement initiatives (for example, bicycle facilities and beautification projects). Table 1 shows the region's allocation by fund type. Figure 1 illustrates that Texas received the largest share of Region VI's transportation funds with nearly 81 percent, followed by Louisiana (almost nine percent), New Mexico (six percent), Oklahoma (two percent) and Arkansas (two percent). Figure 2 shows that 78 percent (nearly $151 million)



Source: FTA Flexible Fund Transfers Table H-34.

of the Region VI's funds were dedicated to CMAQ projects. STP accounted for 13 percent of the region's funds.

An examination of the region's CMAQ allocation revealed that Texas received about 86 percent, or just over $130 million. New Mexico received nearly eight percent ($11.4 million) and Oklahoma and Louisiana received about three percent each ($4.6 million and $4.7 million, respectively). Arkansas did not receive any of the region's CMAQ designated funds. Figure 3 illustrates the percentage of CMAQ funds received by state.

Table 1
FTA Region VI Discretionary Program Funding, 1992-2000

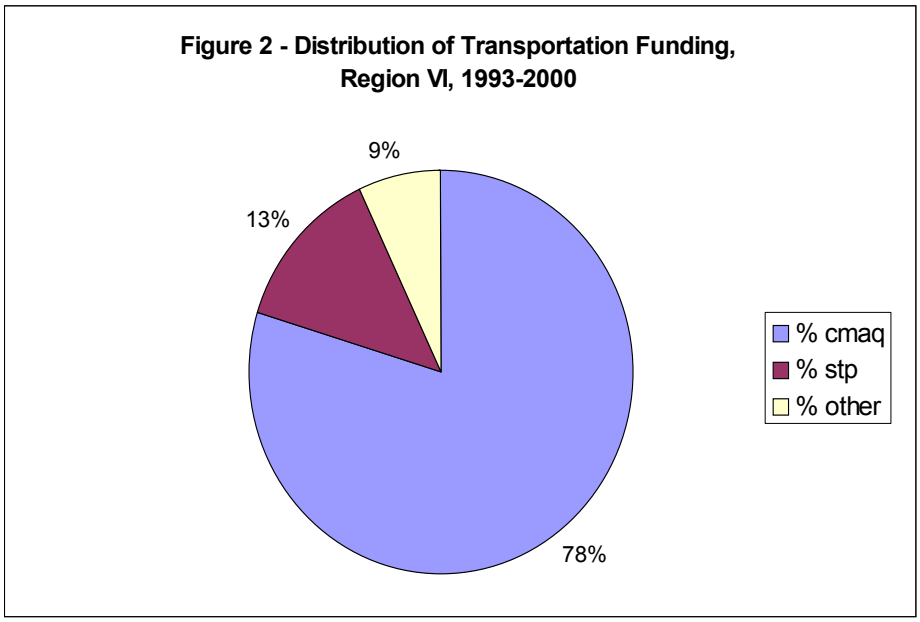
	Arkansas*	Louisiana		New Mexico		Oklahoma**	Texas***		
Fiscal Year	STP	CMAQ	STP	CMAQ	STP	CMAQ	CMAQ	STP	OTHER
1993			$753,645	$1,309,600	$400,000	$800,000	$7,384,013	$132,000	$3,537,600
1994	$3,495,000		$7,859,000	$2,100,000	$107,200	$628,000	$24,677,880	$971,500	$2,465,600
1995			$1,055,403	$3,271,000		$540,000	$34,417,744	$3,015,119	
1996		$1,300,000	$2,000,000			$556,080	$7,441,032	$92,080	$4,621,956
1997			$40,000	$3,537,000	$214,000	$206,080	$6,196,800	$176,000	$2,465,600
1998		$477,000		$1,183,000	$213,600	$150,000	$7,963,800	$1,815,000	
1999		$1,480,000				$232,800	$25,133,000	$320,000	$4,601,943
2000	$965,354	$1,480,000				$1,542,917	$16,972,642	$1,330,000	
Total	$4,460,354	$4,737,000	$11,708,048	$11,400,600	$934,800	$4,655,877	$130,186,911	$7,851,699	$17,692,699
State Total	**$4,460,354**	**$16,445,048**		**$12,335,400**		**$4,655,877**	**$155,731,309**		
GRAND TOTAL FOR REGION VI				**$193,627,988**					

*Arkansas did not receive CMAQ funds. Arkansas also received Other funds totaling $795,691 in FY 2000 which are not reflected in the table above.

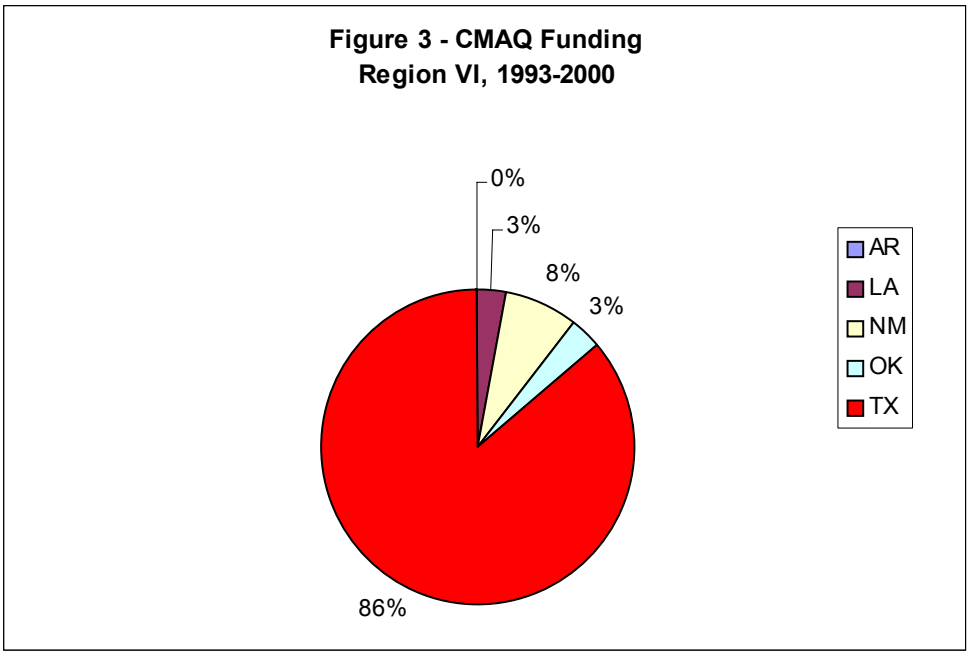
**Oklahoma is the only state that did not receive STP funds.

**Texas is the only state to receive CMAQ, STP, and OTHER discretionary funding.

Source: FTA, Statistical Summaries, Table 82 Flexible Fund Transfers FY 1992 - FY1999, Table 88 Flexible Fund Transfers FY 1992 – 2001
Table H-34 FY 1992 – FY 2006 Flexible Fund Transfers by CMAC, STP, and Other



Source: FTA Flexible Funds Transfers Table H-34



Source: FTA Flexible Fund Transfers Table H-34

Table 2 shows CMAQ projects with obligated funds in FY 1999 and FY 2000. During the two years, Texas showed the most projects, obligated more funds, and used both 5307 and 5311 funds. Texas obligated almost $14 million CMAQ funds in 1999 and over $28 million in 2000. Texas's projects included vanpools, vehicle purchases, commuter rail construction, capital expenses, intersection signals and capital assistance. These projects were in Dallas-Ft Worth, El Paso, and Houston, which are large urban metropolitan areas.

Table 2
FY 1999 and FY 2000 Obligated CMAQ Funds by State and Project

State	Location in state	Section	CMAQ	Total available	Total obligated FY 1999	Total obligated FY 2000
Louisiana						
New Service	Baton Rouge	5307	$1,480,000	$1,480,000	$1,480,000	
New Service	Baton Rouge	5307	$926,000	$926,000		$926,000
New Mexico						
Construction intermodal/transfer facility	Albuquerque	5307	$1,667,000	$1,667,000	$1,667,000	
PE & environmental work PNR	Albuquerque	5307	$250,000	$250,000		
PE & environmental work PNR	Albuquerque	5307	$250,000	$250,000		
Oklahoma						
Neighborhood project	Tulsa	5307	$232,800	$232,800	$140,000	
Purchase buses/equip; new service	Oklahoma City	5307	$723,300	$723,300		$723,300
Capital assistance	DOT	5307	$400,000	$400,000		$0
Capital assistance	Tulsa	5307	$279,617	$279,617		$0
New Service	Tulsa	5307	$232,800	$232,800		$232,800
Texas						
Vanpool program; TDM	Dallas-Ft Worth	5307	$203,000	$203,000		
TDM*	Dallas-Ft Worth	5307	$344,000	$344,000		
Purchase vehicles; planning	DOT	5307	$400,000	$400,000	$400,000	
Purchase vehicles & equipment	DOT	5311	$480,000	$480,000	$480,000	
Town Center construction	DOT	5311	$3,800,000	$3,800,000	$3,800,000	
Capital assist; purchase van	DOT	5311	$576,000	$576,000	$576,000	
Capital assistance	El Paso	5307	$240,000	$240,000		
New service	El Paso	5307	$1,120,000	$1,120,000		
Construct commuter rail system	Ft Worth	5307	$14,000,000	$14,000,000		
Purchase vehicles & equipment	Houston	5307	$4,530,000	$4,530,000	$4,530,000	
Eng/PE for LRT extension	Houston	5307	$160,000	$160,000	$160,000	
Purchase vehicles & equipment	Houston	5307	$3,529,600	$3,529,600	$3,529,600	
Vanpool program; TDM	Dallas-Ft Worth	5307	$203,000	$203,000		$203,000
TDM*	Dallas-Ft Worth	5307	$3,162,162			$3,162,162
Purchase vehicles; alt. fuel system*	Dallas-Ft Worth	5307	$1,075,000	$1,075,000		$1,075,000
Purchase buses; TDM*	Dallas-Ft Worth	5307	$2,875,000	$2,875,000		
Capital assistance	El Paso	5307	$240,000	$240,000		
New service	El Paso	5307	$1,120,000	$1,120,000		$720,000
Construct commuter rail system	Ft Worth	5307	$14,000,000	$14,000,000		$14,000,000
New service; intersection signals	Houston	5307	$9,454,280	$9,454,280		$9,454,280
Purchase vehicles; new service	Houston	5307	$750,200	$750,200		
TOTAL OBLIGATED					**$16,762,600**	**$30,496,542**

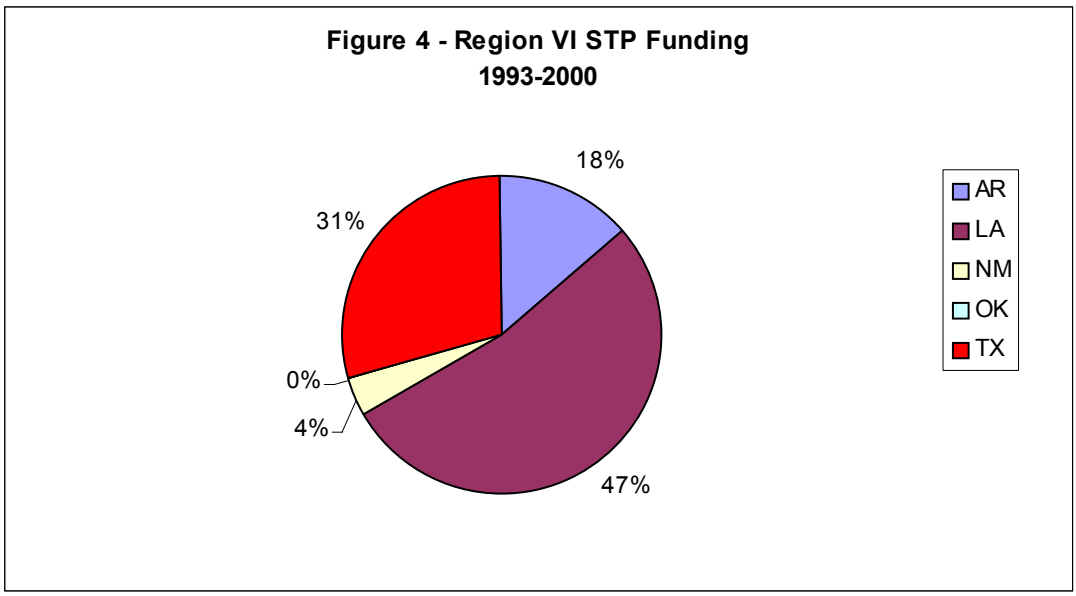
* This project also involved STP funds.

NOTE: Funds include transfers and prior year carryover.

Source: FTA, 1999 & 2000. Flexible funds available and obligated in FY 1999 & 2000.

Oklahoma's projects were located in Tulsa and Oklahoma City. They included equipment purchases, capital assistance, and neighborhood projects. Of the $1.8 million dollars of CMAQ funds, only $140,000 was obligated in 1999 and just less than $1 million was obligated in 2000. Although New Mexico did not receive STP or CMAQ funds in 1999 or 2000, it appears that the state used carry over money from previous years. (See Table 1.) New Mexico's projects occurred in Albuquerque and ranged from engineering and environmental work to construction of an intermodal/transfer facility. During the two year time frame, New Mexico only used $1.6 million of the $2.1 million available funds. Louisiana's two projects in Baton Rouge focused on new service. Louisiana was the only state that obligated all CMAQ funds awarded to them in 1999 and 2000.

Figure 4 illustrates the distribution patterns for dedicated STP funds. Louisiana received almost half of the Region VI's STP dedicated funds with just over 13.3 million (47 percent). Texas received 31 percent ($7.5 million) of the STP funds while Arkansas and New Mexico received 18 percent and four percent, respectively. Oklahoma was the only state that did not receive STP funding.



Source: FTA Flexible Fund Transfers Table H-34

Table 3 shows Region VI's obligated STP funds by state and project for fiscal years 1999 and 2000. During this time period, Louisiana did not have any projects. New Mexico did not receive any STP funds or implement any projects using STP funds during 1999 and 2000. Arkansas obligated fiscal year 2000 funds for a capital assistance project.

Table 3
FY 1999 and FY 2000 Obligated STP Funds by State and Project

State	Location w/in state	Section	STP	Total available	Total obligated FY 1999	Total obligated FY 2000
Arkansas						
Capital assistance	DOT	5307	$965,354	$965,354		
Texas						
TDM*	Dallas-Ft Worth	5307	$320,000	$320,000		
TDM*	Dallas-Ft Worth	5307	$320,000	$320,000		$320,000
Purchase vehicles; alt. fuel system*	Dallas-Ft Worth	5307	$1,010,000	$1,010,000		$1,010,000
Purchase buses; TDM*	Dallas-Ft Worth	5307	$260,000	$260,000		
TOTAL OBLIGATED						**$1,330,000**

* This project also involved CMAQ funds.

NOTE: Funds include transfers and prior year carryover.

Source: FTA, 1999 & 2000. Flexible funds available and obligated in FY 1999 & 2000.

Similar to CMAQ projects, Texas's STP projects benefited the urban areas of Dallas-Ft. Worth, El Paso, and Houston where over $25.7 million 5307 funds were awarded. These projects included construction of commuter rail, vanpool programs, and new equipment. Rural areas of the state were awarded dollars for vehicle purchasing and new equipment. In 2000, Texas's $1.3 million STP funds were obligated in 2000.

FINDINGS AND FUTURE RESEARCH

This study completed an historical evaluation of discretionary funds available under ISTEA and TEA-21 in FTA Region VI from 1993 to 2000. After examining the amount of discretionary funding sent to the region, researchers noted several findings. First, over $193 million in discretionary funding was transferred to the region to develop projects; the majority of these funds (80 percent) were CMAQ related. Texas received the largest share of CMAQ-related funding with a total of over $130 million, or 86 percent, of the region's total allotment. Louisiana received the majority of the region's STP funding with $13.3 million, or 52 percent, followed by Texas with $7.5 million (30 percent).

Next, when examining 1999 and 2000 obligated projects, the researchers encountered problems tracking funding and projects. States often paired carry over funds from previous years with their annually awarded funds to implement projects. This practice made it difficult to match awarded money with funds obligated for projects. For example, New Mexico did not receive STP or CMAQ funds in 1999 or 2000; however, it appears that the state used carry over money from previous years.

In addition, it was also difficult to determine the actual cost of a project especially if the project was funded in stages or if the project was funded over a two to three year period. For example, a project in New Mexico paid for environmental and engineering work in 1999 and also in 2000. Because of the vague project descriptions, it was difficult to determine if new projects were created or if a project from a previous year was continued. Additional data and more detailed project information would allow researchers to track projects from beginning to end.

Finally, projects from 1999 and 2000 showed that Louisiana, New Mexico, and Texas used both CMAQ and STP funds for transit projects. Also note that Texas was the only state to use both CMAQ and STP dollars for a project in the Dallas-Ft. Worth area. Texas was also the only state to use both 5307(urban) and 5311(non-urban) CMAQ and STP funds for transit related projects.

The last finding illustrates that the apportionment of funds in Region VI did not follow a discernable pattern of distribution. Arkansas and Oklahoma received no CMAQ and STP funds, respectively. Texas received a total of $13 million in funds identified as "other" in 1993, 1995, and 1999, and Arkansas received $795,691 in "other" funds. Additional research is needed to determine what constitutes "other" funds and how these funds are distributed.

Future research focusing on the distribution of discretionary funds along with identifying the successes and failures of individual projects funded will provide policy makers an effective tool in the utilization of future funds and projects. With the initial establishment of ISTEA, Congress recognized the need to modify and improve the nation's then-aging transportation infrastructure as well as address the growing environmental concerns caused by fossil fuels into the 21st century.

Another area of future research involves the Clean Air legislations of the 1990s and their influences on transportation legislation. Many regions throughout the country have been labeled "non attainment" in regards to the Clean Air Acts, requiring major changes in transportation

emissions testing and the emissions caused by stationary land sources. Data needs to be compiled and disseminated to area officials detailing the effects of these initiatives in non attainment areas and determining the strategies that have been used, if any, that kept those regions rated "acceptable" from falling to non attainment status.

As TEA-21 replaced and built on the successes of ISTEA, by continuing transportation decision making to occur at the lowest levels possible, urban transportation continues facing new challenges into the 21st century. Innovative solutions such as bicycle paths and walkways were considered viable options in reducing the dominance of the single occupant vehicle in daily commutes, but more is necessary to protect the environment and reduce the national dependency on fossil fuels. It is recommended that local planners and officials continue seeking collaborative ways to utilize flexible funding strategies to diversify local transportation options as part of a region's overall mobility goals while reducing congestion and preserving the environment.

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