

# UNDERSTANDING RESCISSIONS

## *A Call for Proportionality*

Periodically, Congress *rescinds*, or cancels, unspent transportation funds from State DOTs. Rescissions are essentially a bookkeeping measure when properly administered. It allows the USDOT to take unspent funds off the books. However, some state DOTs have turned them into an opportunity to gut neglected bicycle and pedestrian funding sources in order to preserve favored programs.

To stop state DOTs from unfairly targeting bicycling and walking funds, advocates should urge Departments of Transportation to rescind funds **proportionately** from all funding sources.

All funding programs should receive equal consideration to others: they should be spent proportionally and rescinded proportionally. Instead, some of the strongest programs for bicycle and pedestrian projects – Transportation Enhancements (TE), Congestion Mitigation & Air Quality (CMAQ) – historically suffer higher rescission rates than other programs.

It is important for advocates to understand how much money is available in funding programs like Enhancements and CMAQ so they can help bicycle and pedestrian projects compete. Unfortunately it is complex. There are two things that limit the money available in a program: apportionment and obligation authority.

### **Apportionment, Obligation Authority and Rescissions**

**Apportionment** is the amount annually allotted to each spending program based on the transportation authorization bill and annual appropriations approved by Congress.

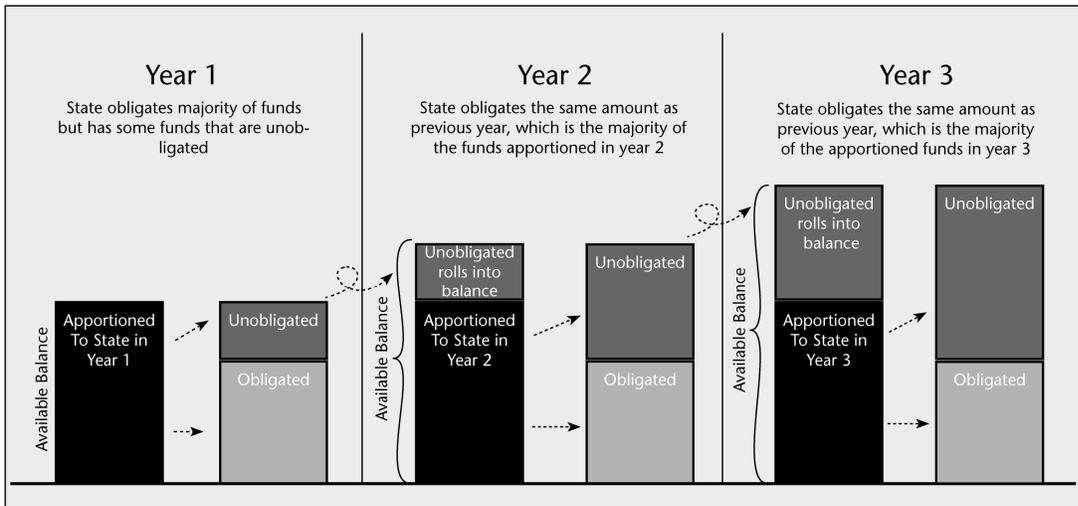
**Obligation Authority** is a limit on total spending by a state in a given year across all programs. Because Congress doesn't have enough money to fully fund all apportionments they limit the total amount that a state can spend. This is the actual maximum that can be spent overall; it is not program specific.

This is where the trouble begins. This means that the balance for many programs keeps growing and states will never have enough obligation authority to spend the balances in all their programs (see Figure 1.) A fair policy would spread the obligation authority proportionately among programs, but this never happens. States favor some programs over others and the programs that provide greatest opportunity for bicycle and pedestrian projects often get the least priority for obligation authority.

**Rescissions** take away portions of unused program balances. Rescissions are a threat to bicycle and pedestrian projects, because bike/ped-friendly funding programs are often the last to be used and have

the largest unspent balances. Advocates need to push DOTs to quickly spend critical programs like TE and CMAQ.

**Figure 1: How TE Funds Accumulate**



Source: National Transportation Enhancements Clearinghouse / [www.enhancements.org](http://www.enhancements.org)

The way to protect bicycling and walking programs from disproportionate rescissions in the long run is to ensure that state departments of transportation are making full use of programs that most often fund bicycle and pedestrian projects.

To build support for biking and walking projects, advocates should:

- 1) Identify cities, towns, and Municipal Planning Organizations (MPOs) that have benefited from TE, CMAQ, SRTS, and Rec Trails projects and highlight them to show the DOT, the state legislature, and the governor's office their importance
- 2) Urge the head of state DOTs and governors to ensure bicycle and pedestrian projects get their fair share of funding from these funding sources quickly. In some case, state legislatures can be helpful as well. If you are doing any public events, such as ribbon cuttings, you can use that opportunity to encourage elected officials to invest more in bicycle and pedestrian projects
- 3) Meet with state DOT personnel<sup>1</sup> to review USDOT guidance on each funding source as it relates to bicycle and pedestrian projects and make sure they are implementing good projects and programs<sup>2</sup>

Help programs compete for obligation authority by finding political and agency champions who will make sure these programs are expertly administered. Push for these signs of excellence:

1. Timely and regular call for projects and selection of projects
2. Selection of projects that are as ready-to-go as possible
3. Multi-year project programming so complex projects can be staged to use appropriation and obligation authority when ready (to see how this is managed well, look at any of the big highway funding programs, like NHS and state STP)
4. Transparent decision-making process with meaningful public involvement
5. Clear criteria for selecting the best projects
6. Project sponsors (local governments) offering good cost-effective projects that invest in proven facilities and programs that will grow cycling and walking (and project sponsors being forthright and accurate about project implementation timetables)

Visit [www.enhancements.org/Stateprofile.asp](http://www.enhancements.org/Stateprofile.asp) to see your state's record on Transportation Enhancements obligations and rescissions. Read the spending report or see your state's [profile](#) . Call the National Transportation Enhancements Clearinghouse (NTEC) at 1-888-388-NTEC.

#### Questions or feedback?

Please contact Darren Flusche at [Darren@AvocacyAdvance.org](mailto:Darren@AvocacyAdvance.org) or 202-621-5456.

---

<sup>1</sup> State Bicycle/Pedestrian Coordinators can direct you – <http://www.walkinginfo.org/assistance/contacts.cfm>

<sup>2</sup> <http://www.fhwa.dot.gov/environment/bikeped/bp-guid.htm>,  
<http://www.fhwa.dot.gov/environment/bikeped/cmaqfunds.htm>