

Highlights of [GAO-07-772](#), a report to congressional committees

Why GAO Did This Study

The Intermodal Surface Transportation Efficiency Act of 1991 introduced two highway programs—the Surface Transportation Program (STP) and the Congestion Mitigation and Air Quality Program (CMAQ)—that may be used on both highway and transit projects and that are referred to as “flexible funding” for the purposes of this report. GAO was asked to examine (1) the degree to which STP and CMAQ funding has been used on transit and how this use varies across states and urbanized areas, and (2) how states and urbanized areas decide which projects to fund with STP and CMAQ funding and what the outcomes of these decisions have been.

To address these issues, GAO analyzed data on flexible funding used on transit projects from the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) and spoke with officials in selected states and urbanized areas about their project-selection processes for flexible funding and the outcomes of these funding decisions. States and urbanized areas were selected based on their prior use of flexible funding.

GAO is not making recommendations in this report. The Department of Transportation generally agreed with the report’s findings and provided technical clarifications, which were incorporated in the report as appropriate.

www.gao.gov/cgi-bin/getrpt?GAO-07-772.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Katherine A. Siggerud at (202) 512-2834 or siggerudk@gao.gov.

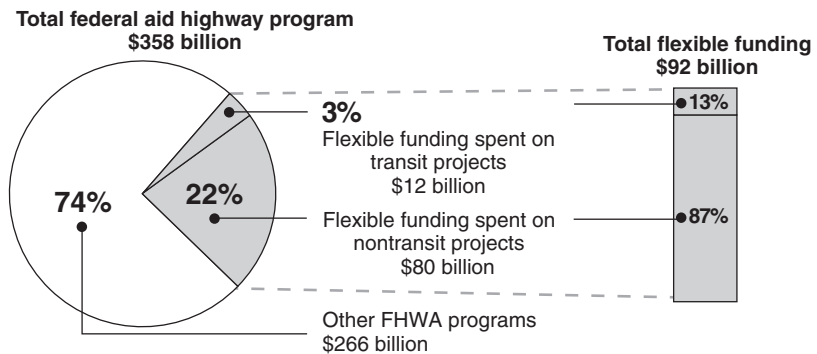
HIGHWAY AND TRANSIT INVESTMENTS

Flexible Funding Supports State and Local Transportation Priorities and Multimodal Planning

What GAO Found

Since the 1991 creation of the two flexible funding programs this report examines—STP and CMAQ—\$12 billion from these programs has been spent on transit projects, either directly through FHWA or through transfer to FTA. This spending on transit represents 13 percent of the apportionments for these programs since 1992 and 3 percent of the total federal-aid highway program. However, the amount of FTA funding used in some states has been augmented significantly by these funds; in four states, funds transferred from these programs to FTA made up 20 percent or more of total FTA expenditures. Nearly 80 percent of transferred funds have been used in urbanized areas with populations over one million, and the most common uses of these funds include purchases of transit vehicles such as buses and rail cars, and projects related to rail lines or bus lanes.

Flexible Funding: Proportion of the Total Federal-Aid Highway Program and Percentages Spent on Transit and Nontransit Projects, Fiscal Years 1992-2006



Source: GAO analysis of FTA and FHWA data.

The 9 states and 12 urbanized areas in our case study review had formal processes for selecting projects for flexible funding. Of these, 7 urbanized areas and 4 states selected projects for all or some of these funds through competitive processes in which projects for different transportation modes were evaluated and selected using established criteria and input from transportation stakeholders. States and urbanized areas that did not use competitions selected projects based on transportation priorities and plans. Regarding the outcomes of decisions on how to utilize flexible funding, state and local officials told us that the broad, multimodal eligibility of this funding program enhances their ability to fund their transportation priorities, particularly in light of the challenge of finding sufficient revenues to pay for transportation improvements.