

The CMAQ Program: Funding Cleaner Air

More than \$2 Billion of Unused Potential

The Congestion Mitigation and Air Quality Improvement program (CMAQ) was created under ISTEA in 1991. Lawmakers established the innovative program to help fund regional and local efforts to achieve compliance with national air quality standards set under the Clean Air Act. Each state receives CMAQ funding based on the population of local areas that are in non-compliance, or seeking to maintain compliance, with national standards for ozone and carbon monoxide. In 2001, those areas encompassed more than 131 million Americans nationwide (counting all air pollutants), almost half of the total population. CMAQ funds are largely spent on Transportation Control Measures (TCMs) such as improving public transit service, traffic signalization and other traffic flow improvements, trip reduction and ride-sharing initiatives, and bicycle facilities.

Under the CMAQ program, more than \$9 billion has been spent over the last ten fiscal years to provide greater mobility and improve air quality in non-attainment and maintenance areas. Of that, more than \$4 billion has been used for transit projects and about \$3 billion has gone to traffic flow improvements. Largely because of its explicit focus on improving air quality and funding transportation alternatives, the CMAQ program enjoys broad support from a range of interests, including local elected officials, transportation and air quality administrators, business and community groups and the public. FHWA Administrator Mary Peters recently testified before the Senate Environment and Public Works Committee that TCMs funded through the CMAQ program, "improve our quality of life, by reducing pollution, by relieving

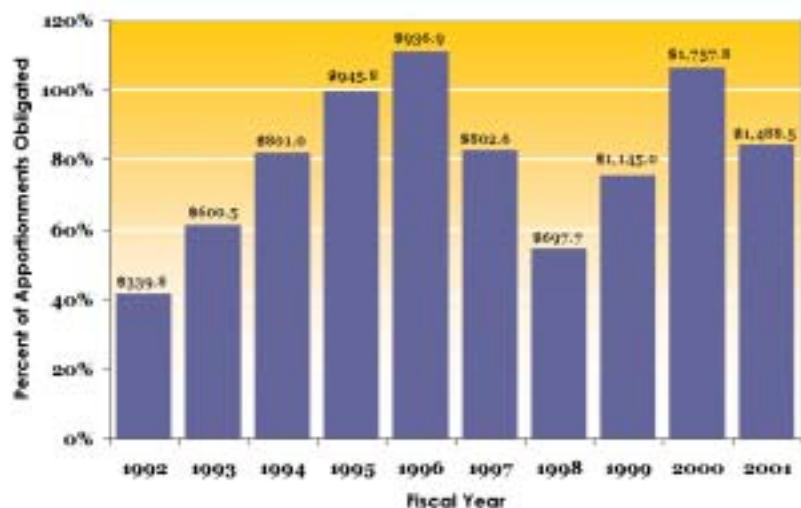
congestion, and by allowing us to walk or bike in a more pleasant environment."

Nationwide, the CMAQ program has helped improve air quality. From 1992/1993 to 2000/2001 the number of person days of unhealthy air quality has declined by 38 percent nationally. But 97 percent of that improvement has occurred in California, where the number of person days of unhealthy air quality dropped by 1.4 billion. During that same period, California was one of the best performers in obligating CMAQ funds, with an obligation rate of 91.4 percent. Excluding California's gains in air quality, the country saw just a 2.5 percent decline in the number of person days of unhealthy air quality.

States Lagging Behind

Of the 41 states (including the District of Columbia) that have metropolitan and other local areas working to achieve or maintain compliance with applicable national air quality standards, less than one-third have made real commitments to the CMAQ program as

Nationwide CMAQ Program Obligations (FY 1992-2001)



Where dollar figure represents obligations in millions.

*The rate of 81.3 percent, based on FHWA's methodology for assessing the program, is somewhat misleading in that it overstates the actual obligations to the program over the ten-year period by treating CMAQ funds which are *transferred* to the Federal Transit Administration as obligations. Unfortunately, accurate state-by-state data on obligations of CMAQ funds transferred to FTA are not available. However a nationwide analysis examining exclusively obligations reveals that only 79.3 percent of CMAQ apportionments are actually obligated.

measured by their obligation rates (i.e. actual spending of apportioned funds). The majority of states have failed to take full advantage of the program, often to the detriment of local areas now struggling to improve their air quality and reduce public health threats. Nationwide, over the ten years of the program, only 81 percent* of the apportioned funds to the states have been obligated to CMAQ, a program which overall receives less than 6 cents of every TEA-21 dollar available to the states. Setting aside California and New York (the biggest recipients), the remaining 48 states and the District of Columbia had an average obligation rate of 77.7 percent.

CMAQ spending is significantly lower than the 93.6 percent for the National Highway System (NHS) program, which like CMAQ was a new program of ISTEA. At the state-level, there is evidence of states lagging behind dangerously on the CMAQ program (see Table 1), while they over-spend on traditional highway programs such as NHS. Six states with non-attainment metro areas and poor spending records on CMAQ have nevertheless obligated more than 100 percent of available NHS funds.

Healthy Air a Low Priority to Some States

More than 4.5 million people living in the Washington DC metro area have recently learned that the air they breathe is "severely" polluted by ozone. This comes as no surprise to residents suffering through the worst summer air pollution on record since 1993. The DC region's new classification from "serious" to "severe" resulted from a court ruling which found that the EPA illegally extended the region's deadline for meeting air quality standards. The ruling triggers Clean Air Act regulations mandating the region to reduce ozone by at least 3 percent per year until it achieves compliance.

Transportation is the largest single contributor to the region's air pollution, accounting for about 1/3 of ozone-forming VOCs and NOx emissions. To

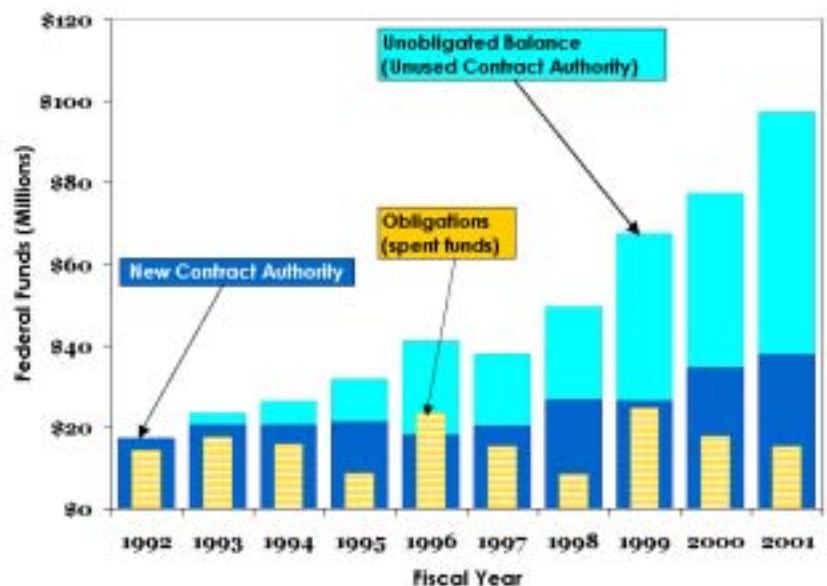
help the region address the problem, the federal government, since 1992, has apportioned more than \$655 million in CMAQ funding to the three states which make up the region - Maryland, the District of Columbia, and Virginia. However, despite worsening air quality, those states have obligated only \$455 million, or 69.5 percent of the available funds, leaving a balance of about \$200 million in unspent federal funds, money which could have been used to improve air quality.

Loopholes Allow Chronic Under-Spending

With the third-worst cumulative CMAQ spending record of the 41 non-attainment states (including the District of Columbia), the State of Virginia chronically under-funds this program. By failing to spend down its large balance of accrued CMAQ funds, Virginia had accumulated almost \$60 million in available CMAQ funding at the end of 2000. Adding in its 2001 apportionment of \$37.8 million, the state had almost \$100 million available to spend. Yet Virginia obligated only \$15.3 million (15.7 percent of the total available) in that year.

While Virginia is one of the worst offenders of CMAQ under-spending, nearly all states are guilty to some degree. More than \$2 billion (\$2.2 billion) in unobligated balance remains in

Virginia's Chronic Under-Spending of CMAQ Funds



For further information, see:

<http://www.transact.org>

<http://www.tea3.org>

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the CMAQ program at the end of its first ten years. This lost potential results largely from the discrepancy between contract authority, which is specific to each major program, and obligation limitation, which applies to the entire contract authority for a state and is not differentiated by program. As detailed in

STPP's *decoder*, "The Transportation Funding Loophole," states can take advantage of this discrepancy to funnel money to highway-building programs while innovative programs such as CMAQ languish.

Sources:

Transportation Research Board. "The Congestion Mitigation and Air Quality Improvement Program: Assessing 10 Years of Experience." *TRB Special Report 264*. National Academy Press: Washington, DC. 2002.

Metropolitan Washington Council of Governments. "State Implementation Plan (SIP) Revision: Phase II Attainment Plan for the Washington, DC-MD-VA Nonattainment Area." 2000.

STPP Analysis of FHWA's Fiscal Management Information System (FMIS).

STPP "The Transportation Funding Loophole: how states underfund programs," *Decoding Transportation Policy & Practice #5*.

U.S. EPA *National Air Quality and Emission Trends Report series, 1994 to 2001*.

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Table 1. Person Days of Unhealthy Air Quality, Total CMAQ Apportionments and Unobligated Balance by State, Ranked by CMAQ Obligation Rate (Fiscal Years 1992-2001, dollar values in millions)

Rank		Person Days of Unhealthy Air Quality* (Avg. 1992-1993)	Person Days of Unhealthy Air Quality* (Avg. 2000-2001)	Total CMAQ Apportionments (1992-2001)	Unobligated Balance**	CMAQ Obligation Rate
1	Alaska	N/A	N/A	\$88.8	\$26.7	46.3%
2	Nevada	1,328,459	749,364	\$76.3	\$32.2	57.6%
3	Virginia	98,037,119	53,700,149	\$243.1	\$81.2	66.3%
4	South Carolina	8,877,907	16,549,492	\$61.5	\$20.3	66.7%
5	Wisconsin	5,137,713	10,619,990	\$154.3	\$50.7	66.8%
6	Montana	N/A	N/A	\$64.0	\$20.9	67.0%
7	Arkansas	1,252,967	6,805,909	\$59.2	\$19.1	67.5%
8	New Hampshire	54,870	80,738	\$58.8	\$18.9	67.9%
9	West Virginia	3,356,386	2,003,936	\$57.8	\$18.2	68.2%
10	Minnesota	1,265,314	2,911,964	\$103.0	\$30.1	70.6%
11	Maryland	149,585,044	90,206,197	\$358.2	\$102.7	71.0%
12	New Mexico	0	361,648	\$59.9	\$16.8	71.6%
13	Texas	163,973,369	244,340,770	\$950.5	\$263.9	71.9%
14	Pennsylvania	178,071,730	117,710,941	\$612.7	\$164.2	72.9%
15	North Carolina	35,804,404	56,127,916	\$129.9	\$34.9	72.9%
16	Louisiana	10,174,957	24,308,796	\$58.5	\$15.4	73.3%
17	Tennessee	35,567,599	50,714,838	\$116.9	\$30.8	73.4%
18	Indiana	15,802,141	16,710,375	\$132.0	\$34.3	73.7%
19	Florida	25,263,225	21,934,894	\$351.3	\$88.0	74.6%
20	Alabama	9,512,113	15,258,258	\$59.0	\$13.5	76.8%
21	Colorado	12,050,917	4,281,616	\$114.7	\$24.4	78.5%
22	Massachusetts	32,648,762	31,581,179	\$381.0	\$89.1	79.4%
23	Oregon	4,036,602	1,604,676	\$74.6	\$15.1	79.4%
24	Maine	N/A	N/A	\$58.4	\$11.8	79.5%
25	Michigan	32,641,014	49,960,083	\$304.4	\$59.6	80.1%
26	New Jersey	107,940,229	69,256,541	\$663.0	\$127.9	80.4%
27	Illinois	33,771,822	71,289,847	\$580.2	\$109.3	80.9%
28	Delaware	9,390,808	9,319,920	\$58.2	\$10.9	81.0%
29	Ohio	60,393,595	58,794,855	\$452.2	\$81.4	81.7%
30	Missouri	25,578,431	37,009,126	\$138.2	\$24.1	82.3%
31	Kansas	1,577,306	4,988,740	\$55.3	\$9.0	83.4%
32	New York	165,858,150	162,525,973	\$1,154.0	\$147.5	87.9%
33	Kentucky	10,665,979	9,900,910	\$89.6	\$9.7	88.8%
34	Rhode Island	5,434,616	6,731,198	\$67.3	\$6.4	90.2%
35	Arizona	35,808,301	26,613,786	\$204.8	\$18.0	91.0%
36	California	2,327,205,959	926,672,973	\$2,125.1	\$176.7	91.4%
37	Washington	4,580,251	1,569,821	\$179.5	\$13.9	91.9%
38	Utah	7,986,863	6,708,875	\$67.8	\$3.9	94.0%
39	Georgia	89,382,952	70,932,398	\$222.3	\$11.4	94.6%
40	Connecticut	23,804,619	18,284,271	\$293.0	\$4.8	98.1%
States with no Non-Attainment Areas for Ozone or Carbon Monoxide						
	Idaho	N/A	N/A	\$62.1	\$24.6	50.4%
	Hawaii	N/A	N/A	\$59.1	\$20.7	64.6%
	Nebraska	286,625	632,977	\$55.3	\$18.5	66.1%
	Iowa	41,746	87,865	\$55.9	\$8.1	85.1%
	North Dakota	N/A	N/A	\$57.6	\$8.3	85.3%
	Mississippi	1,089,576	2,046,548	\$57.1	\$7.6	86.4%
	Oklahoma	3,814,984	9,993,510	\$56.5	\$7.4	86.6%
	Vermont	N/A	N/A	\$57.4	\$5.8	88.3%
	Wyoming	N/A	N/A	\$57.2	\$2.1	96.1%
	South Dakota	N/A	N/A	\$58.4	\$0.5	98.9%
United States		3,758,130,005	2,321,314,762	\$11,709.9	\$2,155.5	81.3%

* Where Person Days of Unhealthy Air is calculated by multiplying the number of people affected by the number of days in which the Air Quality Index (AQI) for large metro areas within a state exceeds 100 during a year, and averaging that value over 2 years.

** Unobligated Balance as of end of FY 2001, as reported by FHWA. May not equal apportionments less obligations due to transfers out of the CMAQ program.