The American Recovery and Reinvestment Act of 2009 (ARRA)

Enacted
February 17, 2009
Main Objectives of the Act

• Job preservation and creation
• Infrastructure investment
• Energy efficiency and science
• Assistance to unemployed, and
• State and local fiscal stabilization
ARRA Highlights

• Signed into law on February 17, 2009
• $787 billion total investment
• $48.1 billion for transportation, including:
  – $27.5 billion for highways
  – $8.4 billion for transit
  – $8.0 billion for high speed rail
  – $1.3 billion for Amtrak
  – $1.5 billion for National Surface Transportation Discretionary Grants
• Significant accountability, transparency and reporting requirements
Highway Portion Distribution of Funding

- $27.5 billion available through Sep. 30, 2010
- Amounts allocated before apportionment:
  - $550 M Federal Lands Highway and Indian Reservation Program
    - $310 M Indian Reservation Roads Program
    - $170 M Park Roads and Parkway Program
    - $60 M Forest Highway Program
    - $10 M Refuge Roads Program
Highway Portion Distribution of Funding

- $20 M Highway Surface Transportation and Technical Training (OJT/Supportive Services)
- $20 M DBE Bonding Assistance
- $45 M Territorial Highway Program
- $105 M Puerto Rico Highway Program
- $60 M Ferry Boat Discretionary Program
- $40 M FHWA Oversight
Funds Apportioned To States

- $26.6 billion total apportionment to States

- Formula based on 50/50 combination of
  - Surface Transportation Program in 23 USC 104(b)
  - Same ratio as the obligation limitation distribution for FY 2008
Funds Apportioned To States

- Set-asides and suballocation of funds
  - 3% set-aside for Transportation Enhancements
  - 30% suballocation per STP requirements

- Funds suballocated for
  - Individual Areas over 200,000 population
  - Areas with populations less than or equal to 200,000
  - A portion is reserved for areas less than 5,000 population
Distribution of Highway Funds Under ARRA

Appropriation for Highways - $27.5B

Less Amount Allocated Before Apportionment $840M

Remainder Apportioned to States $26.6B

Transportation Enhancements – 3%
  For Individual Urbanized Areas over 200,000 by % of Population

Sub-Allocation for Areas Based on Population – 30%
  For Areas with Population ≤ 200,000

For Any Area of the State – 67%
  For Areas with Population <5000
Funds Apportioned to State

• Eligible Uses
  – Restoration, repair, construction and other activities under Surface Transportation Program
  – Passenger and freight rail transportation and port infrastructure projects as described under TIFIA

• May not be used for conversion of advance construction on previously authorized federal-aid projects.

• Federal share up to 100%
Use It or Lose It Provisions

• First Redistribution
  - Fifty percent of funds apportioned to the State – excluding funds suballocated – must be obligated within 120 days or the remainder will be redistributed.

• Second Redistribution
  - After 1 year all unobligated balances of apportioned funds, included funds suballocated, will be redistributed. Recipients of redistributed funds will have until Sept. 30, 2010 to obligate.
Maintenance of Effort

- Certification by Governor
  - Within 30 days of enactment, the Governor must certify to the Secretary that the State will maintain the level of State funding for transportation projects.
  - Must identify the amount of funds the State planned to expend from State sources from the date of enactment through September 30, 2010.
Maintenance of Effort

• Failure to Maintain Effort
  – The State will be prohibited from receiving additional limitation in August redistribution for fiscal year 2011

• Executed at Governor to Secretary level.
Other Certifications

• The ARRA also requires two additional certifications:
  – The Governor is to certify that infrastructure investments have received the full review and vetting required by law.
  – The Governor is to certify within 45 days that the State will request and use funds provided by the ARRA and the funds will be used to create jobs and promote economic health.
National Surface Transportation Discretionary Grants

- $1.5 billion (≤ $200 million for TIFIA)
- Projects with significant impact on Nation, Metropolitan Area or Region.
- Ensure equitable geographic distribution of funds and appropriate balance between urban/rural
- ≤ 20% of total funds to single State
- Grants between $20-$300 million
- Federal share up to 100%
National Surface Transportation Discretionary Grants

• Priority to projects that require additional share of Federal funds to complete financing.
• Priority to projects expected to be completed within 3 years of enactment.
• Publish competitive criteria within 90 days of enactment
• Applications submitted within 180 days of enactment
• All projects selected within 1 year
• Obligated by end of FY 2011
• Delivery of the ARRA is the top priority for FHWA
• FHWA is redirecting existing staff and adding additional part-time and full time staff to support increased work load.
FHWA

Stewardship and Oversight

- Projects must follow all Federal requirements
- Projects will be advanced with maximum flexibility under the regulations
- Projects will be administered in accordance with our normal Stewardship Agreements
A higher level of accountability and increased attention by GAO and IG is expected.

FHWA is developing an ARRA Risk Management Plan.

FHWA will use a variety of techniques to conduct in-process examination of areas identified as high risk.

Financial management and State oversight of local projects will be areas of particular attention.
"Every American will be able to hold Washington accountable for these decisions by going online to see how and where their tax dollars are being spent." - President Barack Obama
For More Information

http://www.fhwa.dot.gov/economicrecovery

- Summary of Highway Provisions
- Funding Distribution Tables
- FAQs
- Best Practices