



# *The Road to Recovery*

## *The American Recovery and Reinvestment Act of 2009 (ARRA)*

Enacted  
February 17, 2009




U.S. Department of Transportation  
Federal Highway Administration



# Outline

- Objectives of the Act
- Funding Availability/Distribution
- Requirements/Provisions
- Accountability and Transparency
  - Reporting Requirements
  - FHWA Stewardship and Oversight
- Next Steps



U.S. Department of Transportation  
Federal Highway Administration

## Main Objectives of the Act



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



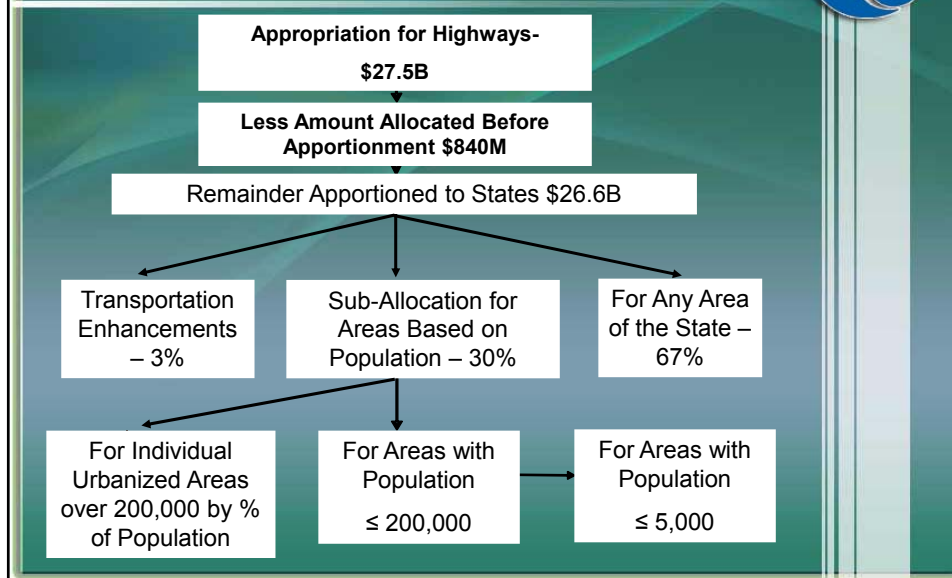
U.S. Department of Transportation  
Federal Highway Administration

## ARRA Highlights



- Signed into law on February 17, 2009
- Provides \$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

## Distribution of Highway Funds Under ARRA



## Indiana Apportionments



- Total = \$657,967,707
  - Transp. Enhancements = \$19,739,031
  - Areas >200K pop. = \$84,898,430
  - Areas <200K pop. = \$97,516,490
  - Areas <5K pop. = \$14,975,392
  - Any Area = \$440,838,364

## Apportionments to Areas >200K Population



- Total = \$84,898,430
  - NW Indiana = \$17,964,332
  - IN portion of Cincinnati = \$147,544
  - Evansville = \$6,018,496
  - Fort Wayne = \$9,341,498
  - Indianapolis = \$39,569,672
  - IN portion of Louisville = \$3,991,219
  - South Bend = \$7,865,669

## 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

Federal share up to 100%

## Funds Apportioned to State



- Act also states that in selecting projects for funding, priority is to be given to projects that are:
  - Projected for completion within 3 years
  - Located in economically distressed areas



U.S. Department of Transportation  
Federal Highway Administration

## 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.



U.S. Department of Transportation  
Federal Highway Administration

## 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.



U.S. Department of Transportation  
Federal Highway Administration

## Maintenance of Effort



- **Failure to Maintain Effort**
  - The State will be prohibited from receiving additional obligation limitation in August redistribution for fiscal year 2011 (“regular” federal-aid funds)
    - Indiana could potentially miss out on ~\$26 million in additional obligation authority



U.S. Department of Transportation  
Federal Highway Administration

## 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.



U.S. Department of Transportation  
Federal Highway Administration

## Other Requirements



- DBE Goals in Section 1101 (b) of SAFETEA-LU apply to ARRA funds.
- Buy American Provisions – No changes in Buy American implementation for ARRA projects.
- Davis-Bacon – Will apply to all ARRA projects.

## National Surface Transportation Discretionary Grants



- \$1.5 billion ( $\leq$  \$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
- $\leq$  20% of total funds to single State
- Grants between \$20-\$300 million
- Federal share up to 100%



U.S. Department of Transportation  
Federal Highway Administration

## 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



U.S. Department of Transportation  
Federal Highway Administration



## Accountability and Transparency



*“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*

RECOVERY.GOV



U.S. Department of Transportation  
Federal Highway Administration

## Reporting Requirements Types of Reports



- **Types of Reports**
  - Certifications
  - Periodic (90 & 180 days and 1, 2, & 3 years)
  - Quarterly
- **Data for Periodic and Quarterly Reports**
  - Projects
  - Finance
  - Jobs



U.S. Department of Transportation  
Federal Highway Administration

## Periodic Reports Reporting Schedule



- Required 90 & 180 days, and 1, 2, and 3 years after enactment.
- First report due to FHWA by May 19
- Includes information on:
  1. Number of projects where work has begun
  2. Number of projects where work is complete
  3. Number of direct and indirect jobs
  4. Aggregate expenditure of State funds
  5. Total amount appropriated, allocated, obligated, and outlayed
  6. Number of projects let to bid and number of projects awarded



U.S. Department of Transportation  
Federal Highway Administration

## Quarterly Reports Reporting Schedule



- States to report to FHWA within 10 days of the end of each calendar quarter
- First report due to FHWA by April 10
- FHWA to report to [www.recovery.gov](http://www.recovery.gov) within 30 days of the end of each calendar quarter
- Includes information on:
  1. Name of project
  2. Description of project
  3. Estimate of completion status
  4. Number of jobs created and number of jobs retained
  5. Purpose, cost, and rationale
  6. Subcontract information
  7. Total funds received
  8. Total amount expended or obligated

# Overview



## State DOT provided data Sent to FHWA

### Initial reports

Project number  
Name of project  
Description  
Purpose  
Cost  
Rationale  
Location

### Monthly reports

Jobs created  
Jobs retained  
Completion status

### Periodic reports

Projects bid  
Projects awarded  
Contractor info.

## FHWA provided data

### Monthly reports

Appropriated  
Allocated  
Obligated  
Outlayed

### Periodic reports

Indirect jobs

### Geospatial data

Highway network  
Per capita income  
Unemployment rate

# FHWA Stewardship and Oversight



- 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.



U.S. Department of Transportation  
Federal Highway Administration

## 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 with State DOTs



U.S. Department of Transportation  
Federal Highway Administration

## FHWA Stewardship and Oversight



- 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.



U.S. Department of Transportation  
Federal Highway Administration

## For More Information



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

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



U.S. Department of Transportation  
Federal Highway Administration