



***Relearning our Three R's
Recovery
Reinvestment &
Reauthorization***

**Road School
March 10, 2009**

1



**President Barack Obama
Inaugural Address – Jan. 20, 2009**

“For everywhere we look, there is work to be done. The state of the economy calls for action, bold and swift, and we will act – not only to create new jobs, but to lay a new foundation for growth. We will build the roads and bridges, the electric grids and digital lines that feed our commerce and bind us together...All this we can do. All this we will do.”

- President Barack Obama



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2

Main Objectives of the Act



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



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3

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

4

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
 - \$290 M for other programs (DBE Bonding, Puerto Rico Highway Program, etc.)
- \$26/6 billion total apportionment to States.



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5

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



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6

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

7

Apportionments to Indiana 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

8

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%

9

Funds Apportioned to State

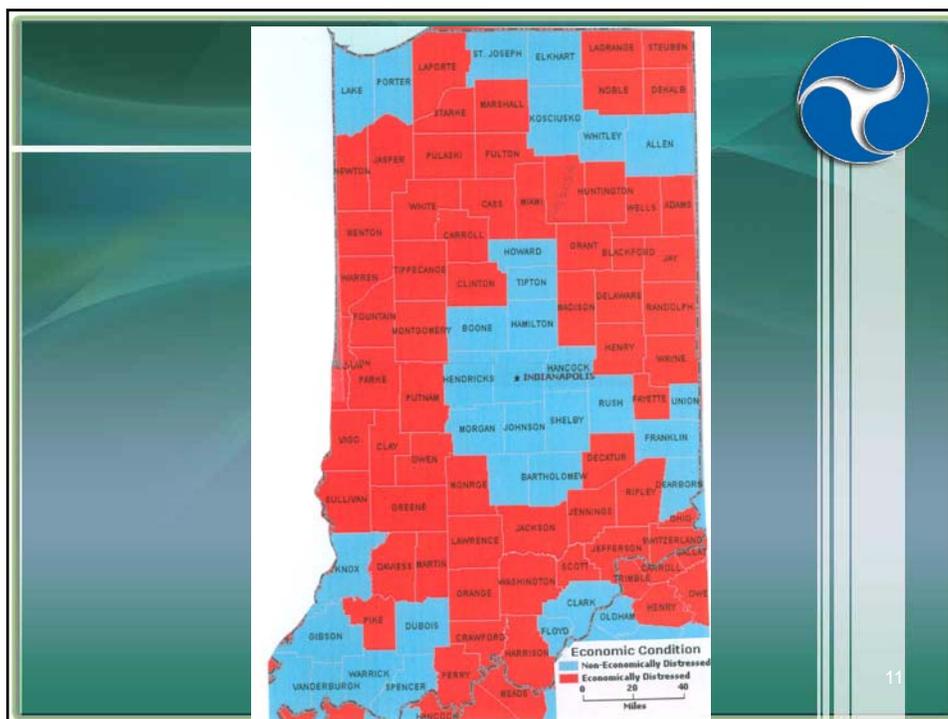


- Act also states that in selecting projects for funding, priority is to be given to projects that are:
 - Projected for completion within 3 years
 - Located in economically distressed areas



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10



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.



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12

Required Certifications



- 1511 - The Governor is to certify that infrastructure investments have received the full review and vetting required by law.
- 1201 - Maintenance of Effort Certification
 - 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.
- 1607 - 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.



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13

Other Requirements



- DBE Goals in Section 1101 (b) of SAFETEA-LU apply to ARRA funds.
- FHWA's Buy America statutory provisions in 23 USC 313 and our regulatory policies in 23 CFR 635.410 apply.
 - Any Waivers must be in the Federal Register
- Davis Bacon wage rates apply to all ARRA projects.

14

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%



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15

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

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16

Reporting Requirements Types of Reports



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



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17

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.**



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18

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, as modified by the ARRA



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19

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.



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20

FY 2009 Funding?



- **Operating under a Continuing Resolution**
 - October 1, 2008 to March 6, 2009.
- **FY 2009 Omnibus Appropriations Act?**
 - \$70.7 billion for all Transportation Programs
 - \$40.7 billion for Highways
- **Continuing Resolution until March 11, 2009**

21

FY 2010 Funding?



- **President's Proposed Budget for 2010**
 - \$72.5 billion requested for Transportation
 - Unspecified levels for specific agencies
 - Proposes a National Infrastructure Bank
 - The move from contract authority to discretionary budget authority?

22

Reauthorization



- **SAFETEA-LU**
 - Expires September 30, 2009
- **National Surface Transportation Policy and Revenue Commission**
- **National Surface Transportation Infrastructure Financing**

23

Reauthorization



- **Consensus between FHWA and AASHTO**
 - Strong Federal role
 - Reduction in the number of program categories
 - Performance-based program
 - Increased Flexibility between programs
 - Accountable investment decisions
 - Simplified environmental review process
 - Focus on Congestion reduction and improvement in mobility in urban areas
 - Focus on Safety on ALL public roads
 - Continued Federal Lands Highways Program
 - Full-funded, non-earmarked research Program
 - Transition to a sustainable user charge system.

24

Reauthorization



- There are numerous differences between AASHTO and FHWA still yet to be reconciled.
- CLEAN-TEA
- Must be enacted before September 30, 2009 or an extension will be needed.

25

**Thank you
&
Enjoy
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26