



# ***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



# 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*



# 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
- 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

# 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%

Sub-Allocation for  
Areas Based on  
Population - 30%

For Any Area  
of the State -  
67%

For Individual  
Urbanized Areas  
over 200,000 by %  
of Population

For Areas with  
Population  
 $\leq 200,000$

For Areas with  
Population  
 $\leq 5,000$

# 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%

# 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



# 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.**



# DBE Requirements



- **DBE Goals in Section 1101 (b) of SAFETEA-LU apply to ARRA funds.**
- **Provides \$20 million in bonding assistance under 49 USC 332(e)**
  - **Minority Resource Center in OST**
- **Provides \$20 million for On The Job Training/Supportive Services**
  - **Supplement existing OJT Programs**
  - **Entertain new starts (template to be provided)**
  - **Resurrect Business Opportunity Workforce and Development (BOWD) concepts or other unfunded past efforts**
  - **Other Ideas – e.g. Wounded Warrior Program in Virginia**

# Buy American Provisions



- Due to the Applicability of Title 23 Requirements in Title XII, there will be no changes in our BA implementation for ARRA projects
- FHWA's BA statutory provisions in 23 USC 313 and our regulatory policies in 23 CFR 635.410 apply.
- Waivers must be in the Federal Register



# Davis Bacon Requirements



- Davis Bacon will apply to all ARRA projects (the existing exclusion for local roads and rural minor collectors will not apply).
- This is the result of the “Notwithstanding any other provision of law and in a manner consistent with other provisions of this Act...” language in Section 1606.



# 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%**



# 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



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



# 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

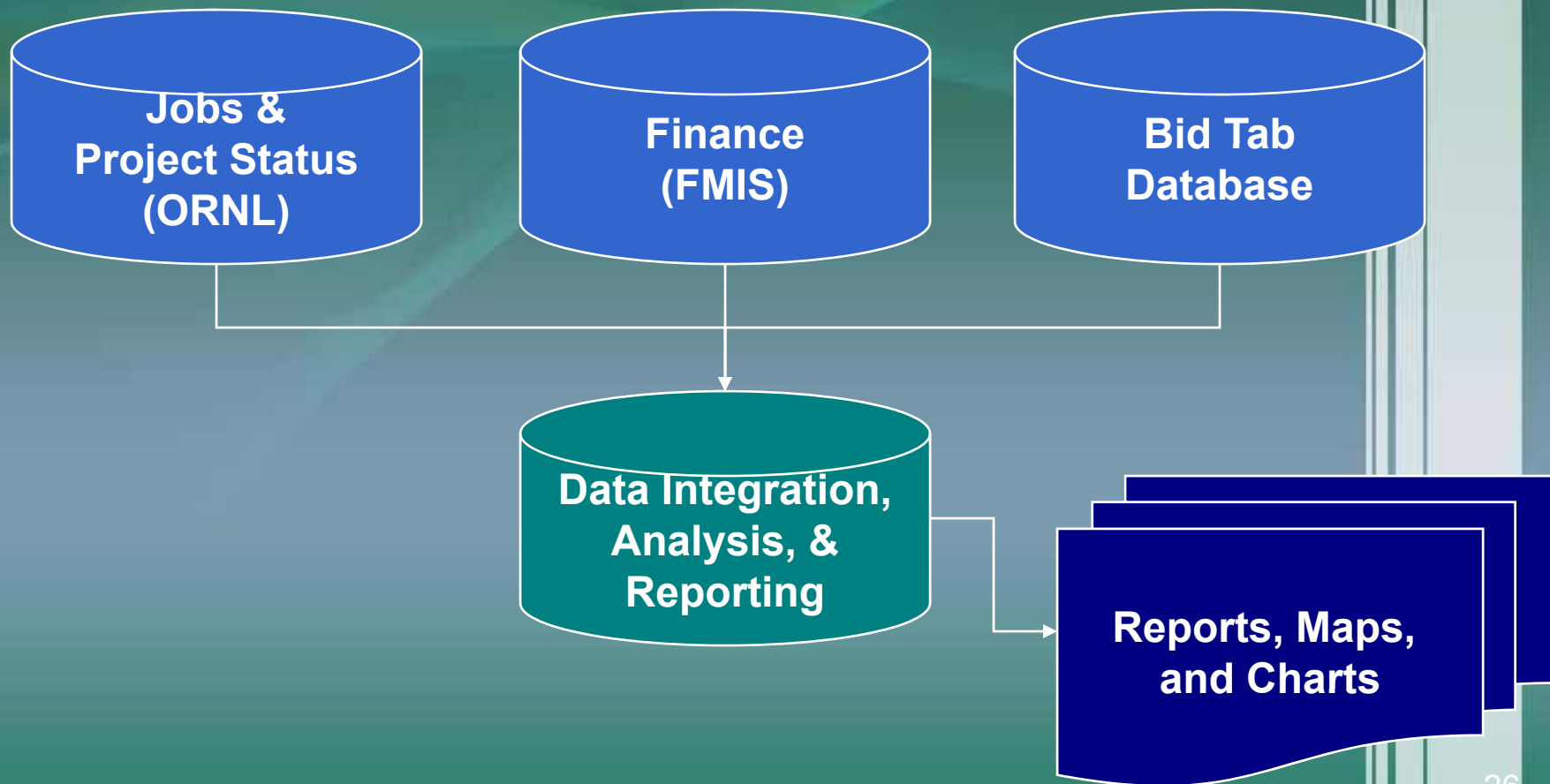


# Quarterly Reports Reporting Schedule



- 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 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

# Proposed Data Model Conceptual Overview



# Overview



## State DOT provide 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 provide data

### Monthly reports

Appropriated  
Allocated  
Obligated  
Outlayed

### Periodic reports

Indirect jobs

### Geospatial data

Highway network  
Per capita income  
Unemployment rate

# Electronic Forms



## MONTHLY PRIME AND SUBCONTRACTOR EMPLOYMENT REPORT AMERICAN RECOVERY AND REINVESTMENT ACT

1. First day of reporting period (mm/dd/yyyy):	2. Last day of reporting period (mm/dd/yyyy):	3. Notice to Proceed Date (mm/dd/yyyy)
4. NAME AND ADDRESS OF FIRM		5. FEDERAL-AID PROJECT NUMBER
		6. State Project Number or ID
7. CONTRACTING AGENCY		8. STATE (or Federal Lands Region)

### 9. Employment Data

Direct, On-Project Jobs (see guidance for definitions)	TOTAL EMPLOYEES	TOTAL HOURS
JOBS CREATED		
JOBS RETAINED		
<b>TOTAL</b>		
10. PREPARED BY: <i>(Signature and Title)</i>		DATE
11. REVIEWED BY: <i>(Signature and Title of State Highway Official)</i>		DATE

This form is issued in association with the American Recovery and Reinvestment Act of 2009

# 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.



# 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**



# 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.



# For More Information



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

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

