

National Capital Region Transportation Planning Board

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MEMORANDUM

TO: Transportation Planning Board

FROM: Ronald F. Kirby
Director, Department of
Transportation Planning

SUBJECT: Summary of American Recovery and Reinvestment Act of 2009

DATE: February 18, 2009

The American Recovery and Reinvestment Act of 2009 was signed into law this week on February 17, 2009 and includes a substantial funding infusion into the nation's transportation system. The final version of the \$789 billion legislation contains over \$48 billion for transportation, including \$27.5 billion for highway infrastructure investment, \$8.4 billion for transit capital assistance, \$8 billion for high speed rail, \$1.5 billion for a competitive grant program for surface transportation, and \$1.3 billion for Amtrak. This memorandum summarizes the funding details for each of these broad transportation funding categories.

Highway Infrastructure Investment, \$27.5 billion

For highway infrastructure investment, a total of \$27.5 billion will be administered through the Federal Highway Administration (FHWA).

For all highway projects, priority will be given to projects expected to be complete within three years and in economically distressed areas.

Of this \$27.5 billion, \$900 million will be set aside for the following:

1. Puerto Rico highway program, \$105 million
2. Territorial highway program, \$45 million
3. Ferry boats and terminals, \$60 million
4. Competitive discretionary grants to states with priority given to projects projected to be complete within two years, \$60 million
5. Indian reservations and federal lands, \$550 million (\$170 million for park roads and parkways, \$60 million for the Forest Highway Program, \$10 million for the Refuge Roads Program)
6. Highway surface transportation and technology training, \$20 million
7. Disadvantaged business enterprises bonding assistance, \$20 million
8. FHWA administrative/oversight, up to \$40 million

The remaining highway funds of \$26.6 billion will be given to states through two different formula programs: 50% (\$13.28 billion) will be apportioned to states based on the FY 2009 STP formula, and 50% (\$13.28 billion) to states based on the FY 2008 obligation limitation distribution as in section 120(a)(6) of division 6 of Public Law 110-161.

Of the total \$26.6 billion given to states, 30% will be sub-allocated to urban areas based on current urbanized area formulas under STP (subsection 133 (d)(3)(A)), meaning that 30% of the total highway formula funds will be distributed to areas within a state based on their population share.

There are also “use it or lose it” time limits on both the state funds and sub-allocated funds. After 120 days, states will be forced to forfeit 50% of the funds awarded (excluding sub-allocated funds), less amounts obligated. Funds sub-allocated to urbanized areas and other areas will not be subject to the 120 day time requirement. All remaining un-obligated funds, including sub-allocated funds, will be forfeited after one year, to be redistributed to other states.

It is estimated that DC will receive \$123.5 million (\$37 million for sub-allocation), Maryland \$431 million (\$129 million for sub-allocation) and Virginia \$694.5 million (\$208 million for sub-allocation) in highway formula funds.

Transit Capital Assistance, \$8.4 billion

For transit capital assistance, a total of \$8.4 billion will be administered through the Federal Transit Administration (FTA).

Formula Funding

\$6.8 billion will be administered through the transit urbanized area formula funding, and will be split into three categories of formula grants:

1. 80% (\$5.44 billion) through the urbanized area formula (Section 5307)
2. 10% (\$680 million) through the urban growing and/or high density states program (Section 5340)
3. 10% (\$680 million) through the non-urbanized area formula (Section 5311)

\$750 million will be distributed by formula for Fixed Guideway Infrastructure Investment (Section 5309).

Similar to the “use it or lose it” time limits for highway formula funding, after 180 days each urbanized area or state must forfeit 50% of transit formula funds awarded, less amounts obligated. Any un-obligated funds after 1 year will be forfeited as well.

It is estimated that the Washington Metropolitan Area will receive \$230 million under these formula programs.

Other Transit Funding

Another \$750 million will be distributed for Capital Investment Grants (Section 5309, “New Starts”), which will be discretionary grants to be used through September 30, 2010. Priority will be given to projects already under construction or able to obligate funds within 150 days.

\$100 million will be set aside to go to public transit agencies in the form of discretionary grants for capital investments to reduce energy consumption or greenhouse gas emissions of their systems. Grants will be awarded based on total energy savings from the investment as well as energy savings as a percentage of the system's total energy usage.

These funds are not subject to the obligation limitations applying to other transit programs.

High Speed Rail, \$8 billion

\$8 billion will be administered through the Federal Railroad Administration as discretionary grants to states with 100% federal share, which can be used through September 30, 2012. Priority will be given to intercity high speed rail service.

Within 60 days, U.S. DOT will be required to submit a strategic plan, outlining how they plan on using this funding. Within 120 days, U.S. DOT will then issue interim guidance for grant terms, conditions and procedures, including separate guidance for the high speed rail corridor program, capital assistance for intercity passenger rail service grants and congestion grants. Projects are not required to be in the State rail plan, and there is no obligation deadline prior to September 30, 2012.

Competitive grant program for surface transportation, \$1.5 billion

\$1.5 billion will be administered via a discretionary grant program, the funds from which can be used through September 30, 2011. Each grant will range from a minimum of \$20 million to a maximum of \$300 million. The funds can be used for a wide range of transportation improvements, including highway and bridge, transit, and freight. However, priority will be given to projects that can be completed within three years of enactment of Act. It should be noted that U.S. DOT has one year after enactment to announce projects selected, thus leaving two years for projects to be completed.

This program is required to ensure equitable geographic distribution of funds (no one state may be awarded more than 20% of the total program funding) and balance between urban and rural investments. The Secretary of U.S. DOT is required to publish criteria on which to base the competition within 90 days of enactment of the Act.

AMTRAK, \$1.3 billion

\$1.3 billion will be made available for Amtrak capital expenditures, including \$450 million for security upgrades. No more than 60% of the non-security funding can be used along the Northeast Corridor.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

Selected Highlights of Interest to the Metropolitan Washington Council of Governments And Participating Jurisdictions

Many funding agencies are still preparing their advisories or instructions on applications. In some instances it is not yet clear whether local governments or agencies may apply directly to the funders or whether local government requests must be filed with the states for packaging or grant decision. Current promulgated instructions can be found, agency by agency, at <http://www.recovery.gov>. This paper indicates likely application routes for local governments and agencies.

Topic	Amount	Comments
General Provisions		
	\$787 Billion	<ul style="list-style-type: none"> • Preference given to activities that can be started and completed expeditiously; a goal of using at least 50 % of the funds for activities that can be initiated not later than 120 days after enactment • Funds made available for obligation until 9/30/2010 unless otherwise stated • No funds appropriated may be used by any State or local government or private entity for any casino or other gambling establishment, aquarium, zoo, golf course or swimming pool • Funding cannot be used for nonimmigrant workers, unless in compliance with H-1B dependent employer • Funding recipients must register with the Central Contractor Registration database or complete other registration requirements as determined by OMB. • Must use American iron and steel for project construction, alternation, maintenance or repair of public building or public works • Must pay contractors or subcontractors the prevailing wage under Davis Bacon • Governor of each state must certify within 45 days that the state will request and use funds provided. Alternatively, the state legislature can so provide by a concurrent resolution • Adequate resources must be devoted to ensuring that applicable environmental reviews under the NEPA are completed on an expeditious basis and that the shortest existing applicable process under the NEPA shall be utilized
Transparency/Accountability		
Certifications		<ul style="list-style-type: none"> • Funds made available to State, or local government agencies for infrastructure investment, the Governor, mayor, or other chief executive, as appropriate, shall certify that the infrastructure investment has received the full review and vetting required by law and that the chief executive accepts responsibility that the

		<p>infrastructure investment is an appropriate use of taxpayer dollars.</p> <ul style="list-style-type: none"> • Certification shall include: A description of the investment; Estimated total cost; Amount of federal funds to be used
Recipient Reports		<ul style="list-style-type: none"> • A state or other entity who receives funds directly from the federal government must, no later than 10 days after receiving funds, submit a report to the appropriate federal agency that contains: <ol style="list-style-type: none"> 1. Total amount of recovery funds received from said agency 2. Amount of funds received that were expended or obligated to projects 3. Detailed list of all projects or activities where funding was expended or obligated
Telecommunications		
Rural Utility Services	\$2.5 Billion	<ul style="list-style-type: none"> • Broadband infrastructure for grants, loans and loan guarantees • At least 75% of areas served must be rural areas without sufficient high speed broadband service to facilitate rural economic development • Loans and Grants issued by Department of Agriculture; procedures for local applicants being developed
National Telecommunications and Information Administration	\$4.7 Billion	<ul style="list-style-type: none"> • State Broadband Data and Development Grant Program • \$200 million is for competitive grant funding to expand public computer center capacity • \$250 million is for competitive grants for innovative programs to encourage sustainable adoption of broadband service • \$350 million is for creating and maintaining a broadband inventory map • Grants issue by Commerce Department (NTIA); currently undetermined whether local governments may apply directly
TV Frequency Conversion	\$650 Million	<ul style="list-style-type: none"> • DTV Converter Box Program • Grants issued by Commerce Department (NTIA); non-profit entities may apply for grants and operate pass through program; not yet determined whether a local government or regional agency may apply and operate
Corps of Engineers		
Generally		<ul style="list-style-type: none"> • Funds to be used for projects that can be completed within the funds made available and that will not require new budget authority to complete • Expired funds appropriated may be used to pay the cost of associated supervision, inspection, overhead, engineering and design • No new projects to be funded with stimulus funds; projects must be underway or in pipelines
Construction	\$2.375 Billion	<ul style="list-style-type: none"> • \$200 Billion - New Construction • \$375 Million – Mississippi River and Tributaries – Complete projects already funded

Operations and Maintenance	\$2.1 Billion	<ul style="list-style-type: none"> • Includes \$25 Million for Corps "Regulatory Program"
Department of Energy - Energy Efficiency and Renewable Energy		
Energy/Conservation Block Grants	\$3.2 Billion	<ul style="list-style-type: none"> • \$2.8 Billion available thru formula allocation (68% allocated to local governments, half of which to cities with 35,000+ population) • \$400 Million thru competitive grants • Local governments may apply to DOE directly
Weatherization	\$5 Billion	<ul style="list-style-type: none"> • Weatherization Assistance Program • States identify non-profits or local governments to implement program
State Energy Program	\$3.4 Billion	<ul style="list-style-type: none"> • Includes state and local programs requiring building retrofits • Funding through the states
Smart Grid	\$4.4 Billion	<ul style="list-style-type: none"> • Modernize electric grid, enhance security, energy storage research • Includes \$100 Million for worker training • Utilities may apply directly
Environmental Cleanup	\$483 Million	<ul style="list-style-type: none"> • Non-Military Environmental Cleanup
Homeland Security		
FEMA Grants	\$300 Million	<ul style="list-style-type: none"> • Grants to state and local governments
Disaster Assistance Loans		<ul style="list-style-type: none"> • Stafford Act loans may exceed \$5 Million (but no more than 50% operating budget of local government) • Establish arbitration for Katrina/Rita losses
Interior		
Bureau of Land Management	\$305 Million	<ul style="list-style-type: none"> • Management of lands and resources • Includes \$180 Million for construction and repair of roads and other facilities
National Park Service	\$589 Million	<ul style="list-style-type: none"> • Repair and restoration of roads, historical resources, and other parks infrastructure
Bureau of Indian Affairs	\$490 Million	<ul style="list-style-type: none"> • Maintenance of roads and schools • Includes \$40 for workforce training
EPA and Other Environment		
Superfund (EPA)	\$600 Million	<ul style="list-style-type: none"> • Hazardous Substance Superfund
LUST (EPA)	\$200 Million	<ul style="list-style-type: none"> • Leaking Underground Storage Tanks • State is primary implementing agency
Bureau of Reclamation	\$1 Billion	<ul style="list-style-type: none"> • Water and Related Resources treatment facilities • Including \$600 for rural water intake and treatment facilities
Natural Resources Conservation Svcs.	\$340 Million	<ul style="list-style-type: none"> • Watershed and Flood Prevention Activities • Includes \$50 Million Watershed rehabilitation
Rural Community Advancement Prog.	\$1.38 Billion	<ul style="list-style-type: none"> • Rural Water and Waste Disposal Direct loans and grants • Applications through the Department of Agriculture
EPA State Grants	\$6.4 Billion	<ul style="list-style-type: none"> • \$4 Billion Clean Water State Revolving Fund capitalization grants (through state) • \$2 Billion Drinking Water State Revolving Fund capitalization

		<ul style="list-style-type: none"> grants (through state) \$100 Million Brownfields \$300 Million Diesel Emission Reduction Act grants (local governments and non-profits may apply; Mid-Atlantic Diesel Coop currently bundling NCR grant apps)
Forest Service	\$650 Million	<ul style="list-style-type: none"> Forest roads, bridges, trails and watershed restoration
Employment and Training		
Employment and Training Admin.	\$4.17 Billion	<ul style="list-style-type: none"> Workforce Investment Act Training and Employment Services Includes \$1.2 Billion for youth activities and \$120 Million for Community Service Employment for Older Americans Traditional WIA grant process
Human Services		
Children and Family Services	\$3.15 Billion	<ul style="list-style-type: none"> Includes \$1.1 Billion Head Start Includes \$1.0 Billion Community Services Block Grant Local governments apply directly
Aging Services	\$100 Million	<ul style="list-style-type: none"> Includes funding for Congregate Nutrition Services and Home-Delivered Nutrition Services Local governments apply directly
Health		
Medicare/Medicaid	\$19 Billion	<ul style="list-style-type: none"> Investments and incentives to ensure use of interoperable health information technology
Biomedical	\$10 Billion	<ul style="list-style-type: none"> Fund biomedical research
Education		
State Fiscal Stabilization Fund	\$53.6 Billion	<ul style="list-style-type: none"> Includes \$39.5 Billion to local school districts School Districts apply directly
Title I	\$13 Billion	<ul style="list-style-type: none"> Disadvantaged Students
IDEA	\$12.2 Billion	<ul style="list-style-type: none"> Special Education
Pell	\$15.6 Billion	<ul style="list-style-type: none"> Pell Grant Increase
Aviation		
Airports	\$1.1	<ul style="list-style-type: none"> Discretionary Grants to Airports
FAA	\$200 Million	<ul style="list-style-type: none"> FAA Infrastructure
Highway Funding		
Highways and Bridges	\$27.5 Billion	<ul style="list-style-type: none"> Formula funds are apportioned 50% State Distribution Formula (population, road miles, and VMT) and 50% FY 2008 Obligation Use it or lose it – 1 year procedure Normal funding channels thru DOTs
Transit		
Capital Assistance	\$6.9 Billion	<ul style="list-style-type: none"> Transit Capital Assistance Formula Distribution Funding thru DOTs or agency directly
Fixed Guideway	\$750 Million	<ul style="list-style-type: none"> Infrastructure
Capital Investment Grants	\$750	<ul style="list-style-type: none"> Discretionary Grants under New Starts and Small Starts Programs
		<ul style="list-style-type: none"> Use it or lose it – After 1 year, unobligated funds revert to Highway Discretionary Grant Program

Rail		
AMTRAK	\$1.3 Billion	<ul style="list-style-type: none"> • Capital Security Grants and rehabilitation/upgrades
High Speed/Intercity	\$8 Billion	<ul style="list-style-type: none"> • Capital Assistance for High Speed Rail Corridors and Intercity Rail
Multi-Modal		
Multi-Modal Grants	\$1.5 Billion	<ul style="list-style-type: none"> • Discretionary Grants
Housing and Urban Development		
Public Housing Capital Fund	\$4 Billion	<ul style="list-style-type: none"> • \$3 Billion to Public Housing Agencies through existing formula • \$1 Billion for competitive grants leveraging private sector funding • PHA's apply directly
Community Development	\$1 Billion	<ul style="list-style-type: none"> • Community Development Block Grants • Local governments apply directly
Neighborhood Stabilization	\$2 Billion	<ul style="list-style-type: none"> • Assistance for redevelopment of abandoned or foreclosed homes • Grant procedure being developed
HOME Program	\$2.25 Billion	<ul style="list-style-type: none"> • Capital investments in low-income housing tax credit projects



The Energy Efficiency and Conservation Block Grant (EECBG)

What Cities and Towns Need to Know

What is the Energy Efficiency and Conservation Block Grant (EECBG)?

- The Energy Efficiency and Conservation Block Grant is a new federal funding resource for cities and towns to leverage in their efforts to improve energy efficiency, lower energy usage, and reduce fossil fuel emissions.
- The block grant was enacted as part of the Energy Independence and Security Act of 2007, [PL 110-140], that became law in December 2007.
- Grants awarded under the EECBG program can be used to help cities undertake environmentally-friendly initiatives, such as updating building codes and old buildings, adopting renewable energy solutions, creating incentives for citizens to use transportation alternatives, and implementing energy saving campaigns.

How much money will be available to cities and towns through the EECBG?

- Under the law, Congress can appropriate up to \$2 billion per year for the block grant program. The appropriated funds will be allocated to units of governments as follows:
 - 68 percent of the funds will be set aside for grant awards to cities, towns, and counties;

- 28 percent of the funds will be awarded to the states;
- 2 percent will be set aside for Indian tribes; and
- 2 percent will be set aside for competitive grants to local governments that are not eligible based on population or to a consortium of local governments.

What are the eligibility requirements for the EECBG?

Cities and towns are eligible to receive block grant funds based on the following criteria:

- Cities and towns with a population of at least 35,000 are eligible to apply to and receive grants directly from the U.S. Department of Energy (DOE).
- At a minimum, the ten largest cities in each state, including Puerto Rico, regardless of population, are eligible to apply to and receive grants directly from DOE.
- Cities and towns with a population less than 35,000 or those that are not one of the ten most populous cities in the state can apply for EECBG funds through their state. The law requires each state to pass through at least 60 percent of the total EECBG funding it receives to cities and counties that do not receive funding directly from DOE.

What activities can be covered by the EECBG?

Cities and towns may use grant funding to conduct programs and activities, such as:

- Developing and implementing an energy efficiency and conservation strategy;
- Conducting residential and commercial building energy audits;
- Establishing financial incentive programs for energy efficiency improvements;
- Developing and implementing energy efficiency and conservation programs for buildings and facilities;
- Developing and implementing programs to conserve energy used in transportation (e.g. flex time for employees; satellite work centers; zoning guidelines or requirements that promote energy efficient development; infrastructure, such as bike lanes, pathways and pedestrian walkways; and synchronized of traffic signals);
- Developing and implementing building codes and inspection services to promote building energy efficiency;
- Developing and implementing programs to increase participation and efficiency rates for recycling programs;
- Replacing traffic signals and street lighting with energy efficient lighting technologies;
- Purchasing and implementing technologies to reduce and capture methane and other greenhouse gases generated by landfills or similar sources; and
- Developing, implementing and installing on or in any government building onsite renewable energy technology that generates electricity from renewable resources, such as solar and wind energy, fuel cells and biomass.

What are the reporting requirements under the EECBG?

- As a condition of the grant, communities that receive funding will be required to develop an Energy Efficiency and Conservation Strategy planning document and to provide annual updates to DOE on the implementation status of the Strategy, as well as realized energy efficiency gains.

What can you do to help?

Local elected officials are in a unique position to provide a comprehensive perspective on issues of sustainability and energy efficiency.

- Contact your Representative and Senators and urge them to say "Yes" to \$2 billion for the Energy Efficiency and Conservation Block Grant program in the FY 2009 Federal Budget.
- Share with your congressional delegation how your community is promoting energy efficiency, reducing greenhouse gases, providing alternative transportation options, encouraging smart growth and land use, etc.
- Tell your legislators how your city or town can use the EECBG to contribute to the quality of life in your community.



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