

# AN ENGINE OF OPPORTUNITY



## A User's Guide to Advocate for Transportation Equity in the 2009 Recovery Act

Radhika Fox  
Solana Rice

***PolicyLink** is a national research and action institute advancing economic and social equity by Lifting Up What Works.®*

*The **Transportation Equity Network (TEN)** is a national coalition reforming unjust and unwise transportation and land use policies.*

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Radhika Fox  
*Associate Director, PolicyLink*

Solana Rice  
*Program Associate, PolicyLink*



# Acknowledgements

Many thanks to our partners for their insights and assistance in developing this report:

Ron Achelpohl, Mid-America Regional Council  
Karen Black, May 8 Consulting  
Shawn Fremstad, Federal Policy Advisor  
Guillermo Mayer, Public Advocates, Inc.  
Sarah Mullins, ISIAAH  
Carli Paine, TransForm  
Shelley Poticha, Reconnecting America  
Rob Puentes, The Brookings Institution  
Carrie Russell, Conservation Law Foundation  
Todd Swanstrom, University of Missouri-St. Louis  
Mariia Zimmerman, Transportation for America

We also thank PolicyLink staff who contributed to this report: Judith Bell, Erika Bernabei, Cara Carrillo, Jon Jeter, Shireen Malekafzali, and Victor Rubin.



# Introduction

The 2009 American Recovery and Reinvestment Act provides nearly \$50 billion to build and repair our nation's roads, bridges, railways, and ports. With deadlines to spend the money fast approaching, state Departments of Transportation (DOTs) and regional Metropolitan Planning Organizations (MPOs)<sup>1</sup> are currently making important decisions about which projects will kick-start our economy and increase the country's economic competitiveness. As billions of taxpayers' dollars are invested, we must all ask: Who benefits? Who decides?

Transportation policy, planning, and investments have traditionally put lower-income people and communities of color in the slow lane, leaving economically-distressed neighborhoods with few avenues to prosperity. Despite the short timeframe in which recovery dollars must be invested, those committed to expanding equity, health, and opportunity for our nation's vulnerable communities have an important opening to ensure that recovery dollars begin to chart a new course—one that rebuilds our economy so that all can participate and prosper.

We must work collaboratively and creatively to ensure that the Recovery Act will build momentum and set a precedent for the upcoming Congressional reauthorization of the transportation spending bill.<sup>2</sup> Dollars should be invested in a manner that:

<sup>1</sup>A Metropolitan Planning Organization (MPO) is an association of local agencies that coordinates transportation planning and development activities within a metropolitan area. Establishment of an MPO is required by law in urban areas with populations of more than 50,000, in order for the area to receive federal transportation funding.

<sup>2</sup>In 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was enacted as law. It authorizes the federal surface transportation programs

- **Creates healthy communities of opportunity** by revitalizing economically-distressed areas, improving health outcomes, and addressing environmental concerns.
- **Promotes job growth, access, and economic opportunity in disadvantaged communities** through a focus on projects that create and retain quality jobs, expand workforce education, and respond to other pressing community economic needs.
- **Utilizes open and inclusive processes** by engaging a broad range of stakeholders so that transportation infrastructure spending includes the needs and priorities of low-income people and communities of color.

PolicyLink and the Transportation Equity Network prepared this guide to offer advocates and decision makers, at the local and state level, specific strategies for maximizing economic opportunity for our nation's vulnerable communities through the transportation components of the Recovery Act. The guide is organized into three parts:

- I. **Key Recovery Act Provisions** summarizes overarching information about the Recovery Act that local and state leaders, who are focused on building an equitable transportation system, should be aware of as implementation unfolds.
- II. **Recommendations for Equitable Implementation** reviews strategies that can influence how transportation dollars are spent and ensure that lower-income people and communities of color are at the center of state and local recovery initiatives.

for highways, highway safety, and transit for 5 years and expires September 30, 2009.

**III. Overview of Transportation-Related Recovery Act Programs and Funding Streams** provides a summary of the major programs within the Recovery Act that can be used for transportation projects. This section focuses primarily on programs and revenue streams administered by the

Department of Transportation, but also includes programs administered by other agencies.

**IV. Resources Related to Transportation Investments in the Recovery Act** summarizes online tools and websites that offer further information.

## Recovery Money Must Help Those Hit First and Worst by the Recession

The American Recovery and Reinvestment Act states that funds should be used to help those most impacted by the recession. Research shows that African Americans and Hispanics are most negatively impacted by the downturn in our nation's economy.

According to the National Bureau of Economic Research, the U.S. economy entered a recession in December 2007. Since the recession began, African Americans and Hispanics have been hit harder by this recession than other workers. Blacks experienced an unemployment rate of 11.5 percent in the fourth quarter of 2008—up three percent from the beginning of the recession. Native-born Hispanics had the second highest rate of unemployment in the nation (nine and a half percent) for the same period. By comparison, whites had an unemployment rate of five and a half percent at the end of the fourth quarter of 2008.<sup>3</sup>

The financial crisis represents the greatest loss of wealth for people of color in modern U.S. history. A recent report estimates that African American borrowers will lose between \$71 billion and \$92 billion and Latino borrowers will lose between \$75 billion and \$98 billion as a result of foreclosures on sub-prime loans. This does not include the loss of wealth as a result of the depressed housing market or loss of investment and retirement dollars from the dramatic decreases in the stock market.<sup>4</sup>

<sup>3</sup>Rakesh Kochhar, Unemployment Rises Sharply Among Latino Immigrants in 2008, Pew Hispanic Center (February 12, 2009). <http://pewhispanic.org/files/reports/102.pdf>

<sup>4</sup>Amaad Rivera, Brenda Cotto-Escalera, Anisha Desai, Jeannette Huezo, and Dedrick Muhammad, Foreclosed: State of the Dream, United for a Fair Economy 2008. [http://www.faireconomy.org/files/StateOfDream\\_01\\_16\\_08\\_Web.pdf](http://www.faireconomy.org/files/StateOfDream_01_16_08_Web.pdf)

## Accessing Hyperlinks in the User's Guide

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(DOT), Office of the Secretary

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For those viewing this document electronically, there are live links embedded throughout the document. Click on the light blue outlined text to access links to outside resources.

# I. Key Recovery Act Provisions

This section of the guide provides overarching information about transportation funding in the Recovery Act.

**Funding distribution:**  
The majority of transportation recovery dollars are being distributed by established formulas to states and localities.

Most of the transportation funding in the Recovery Act is distributed through existing programs and must be used in ways that are consistent with the purposes and requirements of those programs. For example, the Federal Highway Administration

will distribute the \$27.5 billion for Highway Infrastructure Investment using the project eligibility requirements from the existing Surface Transportation Program and the Transportation Enhancements Program. (Note that these dollars are under distinct mandates, including helping those most impacted by the recession and that projects be located in “economically distressed areas.” See page 9.) The investments for Public Transit Capital are administered through the Urbanized and Non-Urbanized Area Grant Formulas. The discretionary grants for surface transportation can be used for projects eligible under previous federal-aid highway provisions, and public transit provisions, including New Starts and Small Starts programs. Therefore,

**Table 1:**  
**Major Surface Transportation Programs Included in The Recovery Act**

Program	Funding Amount	Type of Allocation*
Supplemental Discretionary Grants for National Surface Transportation System	\$1.5 billion	Individual grants to states, local governments, and transit agencies
Highway Infrastructure Investment Fund	\$27.5 billion	Formula to states
Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service	\$8 billion	Grants to states
Amtrak Capital Grants	\$1.3 billion	Grants to Amtrak
Public Transit Capital Assistance	\$6.9 billion	Formula to transit agencies and states
Fixed Guideway Infrastructure Investment	\$750 million	Formula to states and local governments
Capital Investment Grants for New Starts and Small Starts Fixed Guideway Projects	\$750 million	Grants to New and Small Starts projects

\*This describes the allocation for a majority of funding in each program. The programs also include set-asides for administration, oversight, and additional programming.

advocates will be pushing for changes within existing programs and policies to maximize benefits for low-income communities. This is discussed in more detail in later sections.

### Transportation programs:

The majority of transportation dollars are found in Title XII of the Recovery Act, but resources to support transportation also exist in other portions of the Recovery Act.

The bulk of transportation recovery dollars are administered by the Department of Transportation. Table 1, on the previous page, shows the funding amounts and how they are distributed.<sup>5</sup> The supplemental discretionary funds for surface transportation will be administered as grants; the DOT Secretary will determine and publish criteria for these grants by May 18, 2009. Advocates should collaborate on presenting the secretary with criteria that prioritize projects that serve disadvantaged communities.

The \$27.5 billion dollars for highway infrastructure investment is dedicated to projects eligible under the Surface Transportation Program (STP). The STP is an extremely flexible program that can also fund transit and transportation enhancements like bike and pedestrian improvements. For more guidance on the flexibility of the Surface Transportation Program, please refer to the *Recommendations for Equitable Implementation* section of this guide.

There is potential support for transportation projects in other portions of the legislation. For example, the \$3.2 billion Energy Efficiency and Conservation Block Grants and the \$3.1 billion State Energy Program each list “energy efficiency in the transportation sector” as an eligible use, and advocates can push for directing some of these resources for public transit investment. Another possible funding source is the State Fiscal Stabilization Fund. While most of this fund is allocated to states by formula to be used to address shortfalls in education budgets, \$8.8 billion of the Stabilization Fund is available in the form of flexible block grants to be used for “public safety and other government services.” Transit operations and capital could be an eligible use of these funds. It is important to note that while these pots of money can be used for transportation

projects, states and localities are already considering other non-transportation uses for the funds. For more information, please refer to the section of this guide titled *Overview of Transportation-Related Recovery Act Programs and Funding Streams*.

### Timeframes for spending:

There is a preference for “quick start” and “shovel-ready” projects.

In general, the Act requires that funds be distributed or awarded quickly. The Highway Infrastructure Investment (\$27.5 billion) and Public Transit Capital supplement (\$6.9 billion) have already been apportioned to states by the U.S. Department of Transportation based on existing federal formulas. In the case of highway investment, state DOTs have 120 days after the March 3, 2009 apportionment to commit 50 percent of their funding. After 120 days, any portion of the 50 percent that is not obligated, FHWA will redistribute to other states. (The 120-day timeframe is not applied to funding that states sub-allocate to local jurisdictions.) The Public Transit Capital supplement has the same stipulation, but states must use 50 percent by September 1, 2009.

With discretionary grants such as the \$1.5 billion for the surface transportation system, the transportation secretary has 90 days from enactment—May 18, 2009—to publish the grant criteria. Proposed projects must then be submitted by states, localities, and transit agencies within 180 days of publication of the grant criteria, and the U.S. DOT has up to one year after enactment—February 17, 2010—to decide which proposed projects to fund. For more information on reporting and use deadlines, see Table 2 on page 11.

There is serious concern that the timeline for spending recovery dollars will reinforce historic inequities by concentrating funds on ex-urban highway projects versus maximizing low-income community benefits through investment in transit, pedestrian, and bicycle infrastructure. Providing accessible living wage jobs created as a result of recovery funds, must also be at the forefront of discussions on how transportation dollars are spent. Again, strong advocacy and pressure at the state and local level are essential to overcoming this consistent institutional bias.

<sup>5</sup>This funding amount must also cover the respective agency's administration and oversight.

## Transparency:

While provisions for transparency and oversight exist, more accountability is needed, especially at the local and state level.

At the federal level, the Recovery Act puts in place several provisions for oversight of expenditures. A national Recovery Accountability and Transparency Board will work with an independent Advisory Panel to prevent fraud, waste, and abuse. The Accountability Board will also maintain a website ([www.recovery.gov](http://www.recovery.gov)) for widespread public access to tracking investments.<sup>6</sup>

Additionally, every infrastructure project must be certified by a governor, mayor, or local chief executive officer as an appropriate use of taxpayer dollars. Recipients of infrastructure recovery dollars must submit reports at 90 days, 180 days, one, two, and three years from the bill's passage on February 17, 2009.<sup>7</sup> The reports are to include:

- Amount of federal funds appropriated, allocated, obligated, and spent.
- Number of projects up for bid, under contract, and completed.
- Number of direct, on-project jobs created and sustained, and where possible, the number of indirect jobs created and sustained. This will include job hours created and total increase in employment.
- Planned expenditures versus actual expenditures.

While these provisions are a good start, there are no mechanisms to measure the quality of jobs created, who received the jobs, or the geographic

<sup>6</sup>The President will appoint five members to the Independent Advisory Panel. The Recovery Accountability and Transparency Board will be composed of Inspectors General of the Departments of Agriculture, Commerce, Education, Energy, Health and Human Services, Homeland Security, Justice, Transportation, Treasury; the Treasury Inspector General for Tax Administration; and any other Inspector General as designated by the president from any agency that expends or obligates covered funds.

<sup>7</sup>Funding recipients are required to submit reports to the federal agency covering the funding program. Recipients are also required to submit both the gubernatorial certifications and funding reports to the House Transportation and Infrastructure Committee. These reports have the same deadlines, but with an additional report due to the House at 45 days.

distribution of projects across regions or states. These are areas where a forceful push from advocates may prove helpful so that state and local decision makers can be held accountable for recovery funds benefiting everyone, particularly low-income people and communities of color.

## Targeting distressed communities:

There is some guidance in the legislation that can be used to push for inclusion of low-income people and communities of color.

The Recovery Act directs the federal government and its grantees to use funds for five purposes: 1) preserving and creating jobs and promoting economic recovery; 2) providing investments needed to increase economic efficiency by spurring technological advances in science and health; 3) stabilizing state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases; 4) *helping those most impacted by the recession*; and 5) *investing in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits*. Advocates should reference and reinforce purposes 4 and 5 as key priorities for how recovery dollars are invested.

Beyond the Recovery Act's guidelines, there is specific language related to the transportation portions of the bill that advocates can leverage. For example, the \$27.5 billion for Highway Infrastructure Investment specifically prioritizes projects that can be completed within three years and are located in "economically-distressed areas." These places must meet one of three criteria:

1. Per capita income that is 80 percent or less than the national average per capita income;
2. Unemployment rate of at least one percentage point greater than national average (for the most recent 24-month period that data is available); or
3. Economic Development Agency of the Commerce Department determines that the area has experienced, or is about to experience, a special need resulting from severe unemployment, or severe short-term or long-term economic downturn.

Advocates should use these guidelines to maximize their state's portion of the \$27.5 billion dollar highway fund that flows to supporting disadvantaged communities.

**Jobs:**

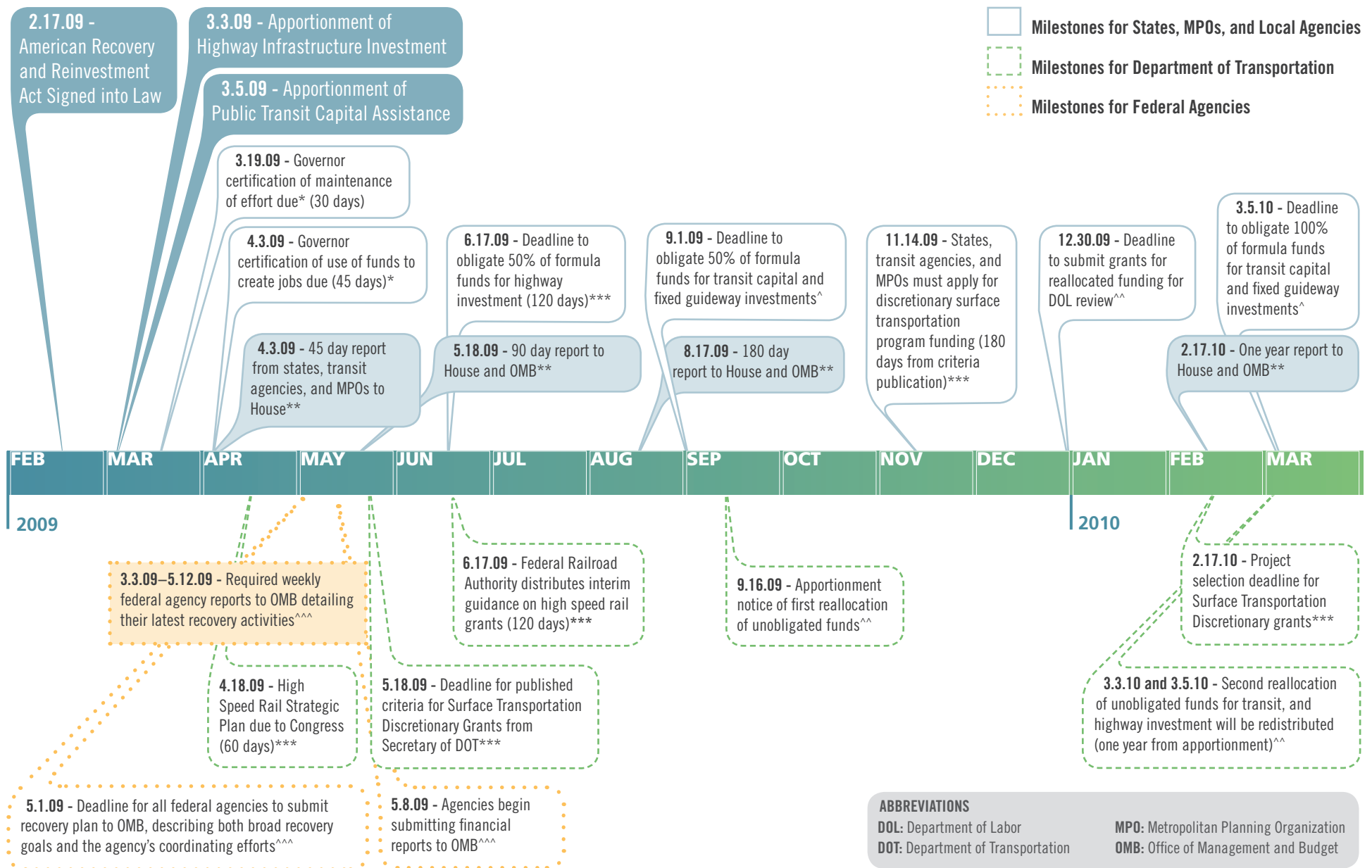
While prevailing wage law applies to the transportation money, there are no formal linkages to workforce development programs or requirements that a percentage of work hours be reserved for disadvantaged populations.

The recovery bill will create many jobs in construction-related sectors of the economy. All of the transportation funding within the Recovery Act is subject to prevailing wage laws (also known as the Davis-Bacon Act) requiring

contractors and subcontractors receiving federal funds to pay workers wages and benefits that are at least equal to the industry minimum in that community. However, the Recovery Act requires no formal linkages to workforce development programs or requirements that a percentage of work hours on projects are reserved for low-income people, minorities, or women—those that have been historically excluded from these types of opportunities. Such mechanisms are critical to helping disadvantaged people land construction jobs that pay a living wage. In addition, ensuring local access to these living wage jobs helps build the local economy by providing needed funds for spending on goods and services. Aggressive advocacy is needed to address the lack of a federal mandate on linkages to programs or requirements that jobs are available to all.

**Table 2:**

**Major Milestones and Deadlines for Select Transportation Formula Grants and Discretionary Funds**



\*Governors have a three-part certification process to complete before recovery dollars are appropriated to each state. The first certification (Title XII, Section 1201 (a) of the Act) is due within 30 days of enactment and requires governors to certify that the state will maintain the same fiscal level of support for all projects that it did before the appropriation. Within 45 days of enactment, Section 1607 (a) of the Act requires all governors to affirm that they will request and use funds and that those funds will create jobs and promote economic growth. Lastly, according to Section 1511, before any funds are appropriated, the governor must also verify that all infrastructure investments have been fully vetted and the chief executive accepts responsibility that the projects are an appropriate use of tax payers' dollars. States are required to publish the selected projects on a website and link to [www.recovery.gov](http://www.recovery.gov). For a listing of submitted certifications, visit <http://testimony.ost.dot.gov/ARRAcerts/>.

\*\*Source: House Transportation and Infrastructure Committee Letters to Governors, MPOs, and transit agencies (February 27). Funding recipients are required to also submit the gubernatorial certifications and funding reports to the House Transportation and Infrastructure Committee, but are required to submit them at 45, 90, 180 days, and one year.

\*\*\*Source: Title XII of ARRA

^Source: Federal Register, Vol. 74, No. 42/Thursday, March 5, 2009, visit <http://edocket.access.gpo.gov/2009/pdf/E9-4745.pdf>.

^^Source: Federal Transit Authority Recovery timeline, visit [http://www.fta.dot.gov/index\\_9118.html](http://www.fta.dot.gov/index_9118.html).

^^^Sources: OMB Initial Implementation Guidance (February 18). For the most recent agency reports, visit <http://www.recovery.gov?q=content/agency-weekly-reports>.

## II. Recommendations for Equitable Implementation

**W**hat are strategies that advocates and decision makers can focus on to influence how transportation Recovery Act funds are spent? Here we offer five broad recommendations for promoting transportation equity through the Recovery Act. Throughout this section we include text boxes to lift up models and resources to support equitable implementation.

- 1. Insert equity priorities into state recovery planning efforts and the selection of “shovel-ready” projects.**
- 2. Push for mechanisms that assist lower-income people and communities of color to gain access to jobs, training, and business opportunities.**
- 3. Maximize recovery dollars that go towards building and maintaining transit systems, walking, and biking infrastructure.**
- 4. Call for full transparency, accountability, and meaningful community engagement in the decision-making.**
- 5. Shape rules, regulations, and guidance at the federal level to maximize equity outcomes at the local and state level.**

### **Insert equity priorities into state recovery planning efforts and the selection of “shovel-ready” projects.**

While the window for influence is closing rapidly, there are opportunities to influence which transportation projects are funded with recovery dollars at the regional and state level. As Congress considered the Recovery Act, state DOTs, MPOs, and local jurisdictions developed “shovel-ready” wish lists—to both make the case for investing in transportation, and also to prepare for the large

infusion of recovery dollars. In general, these lists were intended to underscore the need for greater transportation investment and demonstrate that projects could get off the ground quickly.

MPOs and state DOTs are compiling lists of projects that they have determined meet the criteria for highway and transit capital investments. As a stipulation of receiving funds, governors must submit several levels of certification to the U.S. Department of Transportation and the House Transportation and Infrastructure Committee. One certification requires that the projects slated for investment must be included in a Statewide Transportation Improvement Program (STIP) prepared by the state DOT or in a Transportation Improvement Program (TIP) prepared by an MPO.<sup>8</sup> For both of these programs, SAFETEA-LU legislation requires that any major change in listed projects or funding requires an amendment to the program. Any large amendment is to be accompanied by a participation plan that provides for reasonable notification, access, and opportunities for interested parties to comment. Smaller “administrative

<sup>8</sup>According to the U.S. DOT website, a Statewide Transportation Improvement Program “identifies statewide priorities for transportation projects and must be fiscally constrained.” Fiscal constraint is described as a realistic outlook of available funding, not a general ‘wish list.’ The Transportation Improvement Program (TIP) is similar to the STIP, but it is developed by an MPO. All projects receiving federal funding must be in the TIP which is used to define short-term priorities and allocate limited transportation resources among the various capital and operating needs of the region. Under federal law, the TIP covers a minimum four-year period of investment, is updated every four years, is fiscally constrained, conforms with the State Implementation Plan (SIP) for air quality in nonattainment and maintenance areas, is approved by the MPO and the governor, and is incorporated directly, without change, into the statewide program. For more information on metropolitan area planning, visit the Federal Highway Administration’s website: <http://www.fhwa.dot.gov/planning/metro/>.

modifications” do not require these efforts. Therefore, any major changes to current projects could trigger a participation plan including public comment periods, hearings, environmental review processes, and other opportunities for advocates and community leaders to make their voices heard.

At the time of this writing, over 40 of the governors have submitted certification of their projects, have posted the projects listed on their STIP/TIPs, and have made them publicly available on the U.S. Department of Transportation’s website. These project lists are being updated and amended daily. MPOs are also holding hearings and making their decisions.

In order to influence project selection, advocates should immediately contact their governor, DOT, and MPO to share their priorities for investment and ask how lower-income people and communities of color will benefit from the projects being selected. Advocates should also be familiar with state and local planning processes, transparency requirements, and public comment periods for expenditure of recovery funds. Including communications and organizing strategies will help to highlight the importance of these decisions and the need for all communities to benefit from federal recovery dollars.

## **Push for mechanisms that assist lower-income people and communities of color to gain access to jobs, training, and business opportunities.**

Strategic action is needed to ensure that lower-income people and communities of color gain access to the jobs, training, and business opportunities that will be generated by transportation recovery dollars. There are some provisions in the Recovery Act, as well as in existing transportation legislation, that can help connect disadvantaged communities to jobs in the transportation sector. Advocates should use these policy levers to maximize equity and opportunity in the use of recovery dollars.

- **Existing transportation law allows a percentage of work hours to be filled by employees who live in the community.** In 2005, Congress passed a Sense of Congress amendment to SAFETEA-LU that encourages at least 30 percent of work hours on highway projects to be filled by employees who live in the community.<sup>9</sup> This provision can be applied to transportation recovery dollars as well.
- **The Recovery Act dedicates an additional \$20 million for On-the-Job Training Supportive Services.** Under current law, state Departments of Transportation can operate

<sup>9</sup>Guidance from the FHWA can be found at: [http://www.fhwa.dot.gov/civilrights/safetealu\\_provisions.htm](http://www.fhwa.dot.gov/civilrights/safetealu_provisions.htm)

### **Selection of Transportation Projects in Massachusetts**

**Advocates and decision makers in the state of Massachusetts are working to align their use of transportation recovery dollars with the outcomes of the first phase of a strategic planning effort to shape transportation investments and programs for years to come—*youMove Massachusetts*. This effort includes an extensive statewide civic engagement process with the goal of identifying mobility gaps and challenges experienced by users of Massachusetts’s transportation system. The product of this public-driven process, which collected more than 700 individual comments, was the development of 10 organizing themes to guide the prioritization of future infrastructure investments. Massachusetts is using the 10 organizing themes—along with the criteria of project readiness, immediate job creation, and ensuring that all modes of travel are represented—to guide how transportation recovery dollars are invested.**

**For more information, see the youMove Massachusetts website: [youmovemassachusetts.org](http://youmovemassachusetts.org).**

apprenticeship and training programs for women, minorities, and the disadvantaged and are allowed to utilize half of one percent of their surface transportation and bridge funds for training. The \$20 million of Recovery Act funds supplement this existing SAFETEA-LU provision. Advocates should push for these dollars to be directed to the most successful programs. In many communities, community-labor partnerships, sometimes with community colleges engaged, reap the best results with low-income and people of color benefitting. Communities without promising programs should use this as an opportunity to push for new and more targeted approaches that build from successful models in other parts of the country.

- **The Recovery Act provides \$20 million to increase hiring of minority-owned contracting firms.** Under federal law, all states are required to establish targets or goals for the number of women and minorities employed by contractors in transportation construction. Private contractors must make a good faith effort to subcontract up to 10 percent to women and minority-owned companies (disadvantaged business enterprises or DBEs). While there are federal penalties for missing the goals, including the withholding

of federal transportation dollars, the rules are rarely enforced. A failure to meet these hiring goals can cause minority-owned companies to lose out on millions of dollars of work. The Recovery Act is a great opportunity to demand enforcement of these provisions to ensure that those most in need are able to secure jobs created with recovery funds. Having a variety of voices highlight the requirements and demand vigilant enforcement could lead to better results. See the Minnesota example below for one possible approach to increasing oversight and improving outcomes.

- **A recent executive order can help increase the presence of Project Labor Agreements (PLAs) to protect workers and contractors and to increase project efficiency.** President Obama recently issued an Executive Order that repeals a previously enacted Executive Order that banned Project Labor Agreements<sup>10</sup> and encourages (but does not mandate) agencies to use PLAs in federal construction projects of \$25 million or more. Advocates should push

<sup>10</sup>Project Labor Agreements are pre-hire collective bargaining agreements with one or more labor organizations that establish specific conditions of employment. They are meant to facilitate project planning, ensure timely completion, create parity in employment standards across construction trades on the project, and establish grievance processes for employees.

## **A State Law Creates Accountability for Greater Inclusion of Minorities and Women in Minnesota's Workforce**

**As a result of efforts by local grassroots organizing groups and labor unions, in May 2008, Minnesota passed legislation requiring the Minnesota Department of Transportation (MN DOT) to report to the public on their yearly workforce and contractor participation goals. Current federal law requires state DOTs to have participation goals that reflect the local demographics and requires them to track participation. The law does not require DOTs to share the data with the public, and no sanctions exist if goals are not met. By requiring public reporting of the data, the Minnesota legislation promotes accountability and requires MN DOT to report not only outcomes in achieving participation goals but also the resources MN DOT spends to achieve the goals.**

**In February 2009, MN DOT issued its first public report illustrating that the state was far from meeting their participation targets. MN DOT agreed to participate in a multi-stakeholder group, which includes community and labor groups, contractors, and workforce training providers. The group is now developing strategies for how MN DOT can rectify the shortfalls highlighted in the report and set a timeline for action.**

**Minnesota has also recently introduced state legislation to ensure local hiring (specified by zip code) to prioritize jobs for those living in the most economically-distressed communities. If passed, the legislation will apply to all transportation projects including those funded by the Recovery Act.**

## Transportation Equity Network (TEN) and Workforce Development

TEN members have recently worked with state Departments of Transportation in Michigan, Minnesota, and Missouri to campaign for workforce dollars for low-income workers. The Missouri Department of Transportation, targeted by Metropolitan Congregations United, a TEN member, agreed that 30 percent of the workforce on a \$500 million dollar highway project would include low-income apprentices and that half of one percent of the project budget (\$2.5 million) would go to job training. They have agreed to the same model for a similar project in Kansas City, after negotiations with another TEN member, Metro Organization for Racial and Economic Equity. This is a groundbreaking community benefits agreement in the transportation arena.

In Michigan, the Governor has promised to enact policy that dedicates half of one percent of all federal highway funds toward workforce development and training of low-income construction workers. In 2008, the state DOT started a five-week Road Construction Apprentice Readiness Program in Detroit, Flint, and mid-Michigan that will benefit from this allocation. Minnesota is considering a similar policy. TEN affiliates in 10 other locations are working on similar campaigns.

For more information see, the Transportation Equity Network website: [transportationequity.org/index.php?option=com\\_content&task=view&id=24&Itemid=39](http://transportationequity.org/index.php?option=com_content&task=view&id=24&Itemid=39).

for Project Labor Agreements and demand that youth and adults from disadvantaged communities are hired. The Alameda Corridor Jobs Coalition successfully implemented a Project Labor Agreement with the Alameda Corridor Transportation Authority requiring at least 30 percent of the work hours to be performed by community residents and the primary contractor to provide 1,000 paid pre-apprentice training slots.

### Maximize recovery dollars that go towards building and maintaining transit systems, walking, and biking infrastructure.

There are some existing provisions in transportation law that can be utilized to maximize investment in transit projects (capital and operations), as well as walking and biking infrastructure. Advocates and decision makers should utilize these policy levers to maximize the dollars for these important components of our nation's transportation infrastructure in lower-income communities. These policy levers include:

- **Surface Transportation Program (STP) funds can be used for a range of transportation needs.** While one of the major transportation funding streams in the Recovery Act is titled

'highway investment' (\$27.5 billion), the funding is dedicated to projects eligible under the Surface Transportation Program (STP). The STP is intentionally structured by the federal government as a highly flexible program that can be applied to a range of transportation needs at the regional and state level including: bridge projects on any public road; transit capital projects; intracity and intercity bus terminals and facilities; historic preservation; landscaping and mitigation of construction impacts on scenic, historic, and cultural assets; bicycle transportation and pedestrian walkways; and safety improvements both on and off the federal-aid highway system. Roads can also be retrofitted to accommodate buses and bus stops, trolleys, bikes, and pedestrians. Ultimately it is up to the states and MPOs to decide how to spend STP dollars and most have chosen to fund highways. Advocates should utilize the new infusion of recovery dollars to push for the flexible application of STP dollars to support transit, biking, and walking infrastructure in disadvantaged communities.

- **Three percent of STP funds are directed for Transportation Enhancement projects.** The Recovery Act sets aside approximately \$800 million for the Transportation Enhancements Program, which is allocated to states and often used to support biking and walking

infrastructure in communities. It is important to note that this money falls under the “use it or lose it” provisions in the Recovery Act. The Safe Routes to Schools National Partnership conducted an analysis of states’ early ready-to-go infrastructure lists and found that less than one percent of projects (0.3 percent of dollars) were for bike and pedestrian infrastructure, despite the fact that nearly 10 percent of all commutes are by bike or foot.<sup>11</sup> In addition to the transportation funds in the bill, Community Development Block Grant Funds (\$1 billion) and Energy Efficiency Block Grant Funds (\$2.8 billion) include bicycle and pedestrian improvements as eligible uses. See Section III of this report for more information.

- **Transit capital funds can be used for operating costs.** Although the \$6.9 billion in transit capital funds included in the Recovery Act are limited to capital projects, Public Advocates, a nonprofit law firm and advocacy organization, notes that the funding for Urbanized Area Formula Grants (5307 funds) can be used by transit agencies for “preventive maintenance,” including the major costs of repairing buses, trains, and other transit vehicles, such as engine or transmission overhauls. These costs can constitute a significant portion of a transit agency’s operating costs. However, some Metropolitan Planning Organizations (MPOs) have established restrictions on the allowable percentage of 5307 funds that can be used for preventive maintenance. In communities where local transit agencies are in jeopardy of cutting services or raising fares due to service funding shortfalls, advocates should push for the maximum allowable allocation of 5307 monies into preventive maintenance.

### **Call for full transparency, accountability, and meaningful community engagement in the decision-making.**

In addition to the federal oversight board, and Recovery.gov, all federal agencies are dedicating a portion of their websites to report on Recovery

<sup>11</sup>“Taking Action for Bicycling, Walking and Safe Routes to School on the American Recovery and Reinvestment Act of 2009.” Accessed from Safe Routes to School National Partnership website: <http://www.saferoutespartnership.org/national/45755>

Act investments. Federal transportation officials have also convened the Transportation Investment Generating Economic Recovery (TIGER) group to prioritize key highway, bridge, transit, rail, aviation, and intermodal projects and to develop reporting standards for tracking job creation and economic outcomes.<sup>12</sup>

These are important steps to help mitigate waste, fraud, and abuse of recovery dollars. However, advocates must push for additional provisions for oversight or accountability in their states in order to monitor and assess how low-income people and communities of color are faring. According to the National Conference of State Legislatures, nearly half of the states have set up some type of board, council, or appointee to oversee the implementation of recovery dollars or advise on project selection. Colorado has an Economic Recovery and Accountability Board that posts its upcoming meetings and agenda on the state’s recovery website. The California Assembly has established the Stimulus, Economic Recovery and Jobs Task Force (SERJ) to coordinate efforts with local governments and the Governor has committed to enhanced reporting on the state’s recovery website. At the regional level, a few MPOs have also used their websites to gather public input on projects.

### **Shape rules, regulations, and guidance at the federal level to maximize equity outcomes at the local and state level.**

While the majority of recovery dollars will be spent at the state and local level, there are some programs that require rules, regulations, or guidance to be written by administering agencies at the federal level. This provides a critical opening for local and state leaders to bring their expertise and priorities to bear on the longer-term development of these programs.

In the national transportation arena, there is \$1.5 billion in competitive grants that will be awarded to states, local governments, and transit agencies. By May 18, 2009 (90 days from enactment), Secretary LaHood must write and publish the criteria for how

<sup>12</sup>The U.S. Secretary of Transportation also has a blog that highlights recent meetings and legislation: <http://fastlane.dot.gov/2009/02/index.html>.

these competitive grants will be awarded. Equity advocates should schedule meetings and send letters to the U.S. Department of Transportation and their state's Congressional delegation urging that the criteria should prioritize projects that:

- Incorporate a workforce development and local hiring component so that local residents and disadvantaged people gain access to training and employment;
- Will be undertaken in "economically-distressed areas"; and
- Focus resources on transit, walking, and biking projects that strengthen existing communities and deliver multiple benefits, including reducing energy use, lowering greenhouse gas emissions, and improving mobility for lower-income people.

## Conclusion

The transportation recovery funding is more than a down payment for the long-term stability of our economy. The Recovery Act is an opportunity for advocates to participate in decision-making, to build and strengthen coalitions, and to fundamentally change how we view transportation in the context of vulnerable communities hard-hit by current economic times. State and local officials can use this opportunity to establish transportation agendas that prioritize projects that improve economic, environmental, and health outcomes for disadvantaged communities. The Recovery Act can be the staging ground for building coalitions, establishing accountability and reporting practices, and fundamentally transforming how we think about transportation's role in building healthy communities of opportunity for all.

# III. Overview of Transportation-Related Recovery Act Programs and Funding Streams

This section of the user’s guide provides a summary of many of the major programs and funding streams that can be utilized to build, repair, and maintain our nation’s transportation infrastructure. We cast a wide net in our analysis of programs and appropriations that could potentially be utilized for transportation-related purposes.

This section is organized into two grids:

- **Programs Administered by the Department of Transportation** includes the major programs and funding streams included in Title XII of the 2009 American Recovery and Reinvestment Act. In the preceding narrative discussion, we primarily focused on strategies to maximize equity and opportunity in the implementation of three major programs—Supplemental Discretionary Grants for National Surface Transportation System, Highway Infrastructure Investment Fund, and Public Transit Capital Assistance—which constitute approximately \$35.9 billion in transportation infrastructure investment. While we did not discuss the other major surface transportation programs (primarily related to rail and fixed guideway investments) in the narrative, we summarize them (in the

order in which they appear in the Act) in the grid below for informational purposes.

- **Additional Programs that Could Potentially Be Utilized for Transportation Infrastructure** reviews programs that we have identified that include transportation as an eligible use for the funds. In determining what programs to include, we erred on the side of inclusion, generally including a program if a portion of the funds could be used for transportation-related purposes. An important caveat is that while some portion of these programs can be used for transportation projects, decision makers have already slated non-transportation uses for a significant portion of these dollars. Nonetheless, given the fact that the programs amount to billions of dollars of investment, transportation equity advocates should be aware of how these programs are being implemented in their communities.

Each row in both of the grids describes a program (or, in some cases, an appropriation account that may include multiple programs).

## What's in the Grid

Program	Funding	Uses	Resources/ Comments
<p><b>Program Name (or Appropriations Account)</b></p> <p>The federal agency administering the program.</p> <p><b>Purpose:</b> This is generally the overall purpose of the program receiving funding (in some cases, funding is provided for a narrower purpose).</p> <p><b>Statute:</b> A citation to the section or sections of the United States Code that authorize and govern the program.</p> <p><b>Regulations:</b> A citation to the section or sections of the Code of Federal Regulations that apply to the program or funding.</p> <p><b>CFDA Number:</b> The Catalog of Federal Domestic Assistance, a federal government publication (available at <a href="http://www.cfda.gov">www.cfda.gov</a>) is a basic reference guide to federal funding available to states and local governments, non-profit and other entities, and individuals. If a program has a CFDA number, you can go to the guide for further information about it.</p>	<p>The first number is the amount of new funding the Recovery Act provides for the program.</p> <p>The column also includes:</p> <ol style="list-style-type: none"> <li>1) the type of funding, usually either a formula grant or competitive grant;</li> <li>2) general information on how funds will be allocated, if applicable and available;</li> <li>3) who is eligible to apply for the funding;</li> <li>4) date funding is available until (if different from September 30, 2010 - the date section 1603 of the act makes all funds available unless expressly provided otherwise) and any other notable information related to the timing of funding.</li> </ol>	<p>Allowable uses of the funds, and any notable restricted uses.</p> <p>Requirements, if any, related to allocation of funds among allowable uses or program purposes.</p> <p>For programs providing direct benefits or services to individuals (e.g., employment and training programs), who are eligible to receive them.</p>	<p>Additional information that can help shape implementation and advocacy efforts.</p>

Program	Funding	Uses	Resources/ Comments
<p><b>Supplemental Discretionary Grants for National Surface Transportation System</b></p> <p>Department of Transportation (DOT), Office of the Secretary</p> <p><b>Statute:</b> This is a new program, but see generally 49 U.S.C. Chapter 53 (public transit projects) and 49 U.S.C. 5309(d)-(e) (New Starts and Small Starts).</p> <p><b>CFDA:</b> This is a new program, but see generally 20.500 (Federal Transit Capital Investments Grants).</p>	<p><b>\$1.5 billion</b></p> <p>Competitively awarded to states, local governments, and transit agencies from DOT. DOT must ensure an “equitable geographic distribution of funds” and “appropriate balance” in addressing the needs of urban and rural areas.</p> <p>DOT must publish grant criteria within 90 days of enactment; grant applications due within 180 days after the publication of criteria. Projects must be announced within one year of enactment.</p> <p>No state or local match is required.</p> <p>Individual grants must be between \$20 million and \$300 million (subject to DOT waiver for significant projects in smaller cities, regions, or states).</p>	<p>Capital investments in surface transportation infrastructure, including:</p> <ul style="list-style-type: none"> <li>- highway and bridge projects;</li> <li>- public transportation projects;</li> <li>- passenger and freight rail projects; and</li> <li>- port infrastructure projects.</li> </ul> <p>Projects must have a significant impact on the nation, a metropolitan area, or a region.</p> <p>DOT must give priority to projects that require additional federal funds to complete financing package and projects expected to be completed within three years.</p> <p>Eligible public transportation projects include investments in projects participating in New Starts or Small Starts programs that will expedite completion of projects and entry into revenue service.</p>	<p>The Federal Transit Administration provides automatic email updates on Recovery Act information and guidance. To register for this and to access additional information on this program and other programs funded by the Recovery Act, see their website.</p>

## Programs Administered by the Department of Transportation

Program	Funding	Uses	Resources/ Comments
<p><b>Highway Infrastructure Investment Fund</b></p> <p>Department of Transportation (DOT), Federal Highway Administration (FHWA)</p> <p><b>Recovery Act Guidance:</b> FHWA Implementing Guidance</p> <p><b>Statute:</b> 23 U.S.C. 133(b) (Surface Transportation Program); 23 U.S.C 133(d) (2) (Transportation Enhancements); 23 U.S.C. 601(a)(8) (passenger and freight rail projects); 23 U.S.C. 140(b) (On-the-Job Training Supportive Services)</p> <p><b>Regulations:</b> See generally 23 CFR (highways) and 49 CFR (transportation).</p> <p><b>CFDA:</b> 20.205</p>	<p><b>\$27.5 billion</b>, appropriated as follows:</p> <ul style="list-style-type: none"> <li>- \$26.66 billion for distribution to the states and the District of Columbia</li> <li>- \$150 million for Puerto Rico and Territorial Highway Programs</li> <li>- \$550 million for federal lands and Indian reservations</li> <li>- \$20 million for On-the-Job Training Supportive Services</li> <li>- \$20 million for Disadvantaged Business Enterprise bonding assistance</li> <li>- \$60 million for construction of ferry boats and ferry terminal facilities</li> </ul> <p>For apportionment of \$26.66 billion by state, see Tables 1-4 of DOT's Apportionment notice. Each state's portion of funding is further allocated as follows:</p> <ul style="list-style-type: none"> <li>- 3% (about \$800 million overall) must be used for Transportation Enhancements (TE)</li> <li>- 30% is sub-allocated to areas based on population—between areas greater than 200,000 (\$4.34 billion), areas less than 200,000 (\$3 billion), and areas less than 5,000 (\$634 million)</li> <li>- the remaining 67% of funds (\$17.86 billion) can be used in any area of the state</li> </ul> <p>States must obligate half of the funds they receive (not including the 30% of funds sub-allocated to areas) within 120 days. Any of these funds that remain unobligated at that point are redistributed among the states. All funds must be obligated within one year.</p> <p>States must prioritize the following types of projects:</p> <ul style="list-style-type: none"> <li>- projects that can be completed by February 17, 2012</li> <li>- projects located in "economically-distressed areas" as defined by section 301 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3161).</li> </ul>	<p>Restoration, repair, construction, and other activities for projects eligible under the Surface Transportation Program, including:</p> <ul style="list-style-type: none"> <li>- construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements for highways (including interstate highways) and bridges;</li> <li>- capital costs for transit projects eligible for assistance under 49 U.S.C. Chapter 53, including vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus; and</li> <li>- carpool projects, fringe and corridor parking facilities and programs, bicycle transportation and pedestrian walkways, and the modification of public sidewalks to comply with the Americans with Disabilities Act.</li> </ul> <p>Some Transportation Enhancements (TE) as described in 23 U.S.C. 133 (d)(2) include:</p> <ul style="list-style-type: none"> <li>- provision of facilities, safety and educational activities for pedestrians and bicycles;</li> <li>- workforce development, training, and education under 23 U.S.C. 504(e), provided the activity specifically benefits eligible TE activities;</li> <li>- acquisition of easements and sites;</li> <li>- landscaping and other scenic beautification;</li> <li>- preservation of abandoned railway corridors (including the conversion and use of the corridors for pedestrian or bicycle trails); and</li> <li>- environmental mitigation.</li> </ul>	<p>Funding is subject to the Disadvantaged Business Enterprise requirement (and other civil rights and labor standards). See the Public Transit Capital Assistance program below for further details.</p> <p>DOT's Office of Civil Rights provides additional guidance on the use of funding for the On-the-Job Training program and the Disadvantaged Business Enterprise (DBE) bonding assistance program.</p> <p>Economically-distressed areas are areas that meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>- Per capita income that is 80% or less than the national average per capita income;</li> <li>- Unemployment rate at least 1 percentage point greater than national average (for most recent 24-month period that data is available); and/or</li> <li>- An area that EDA (of DOC) determines has experienced or is about to experience a special need as a result of actual or threatened severe unemployment, or severe short-term or long-term changes in economic conditions (see section VII of EDA's guidance).</li> </ul> <p>FHWA has developed interactive U.S. maps displaying the criteria above.</p>

Program	Funding	Uses	Resources/ Comments
<p><b>Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service</b></p> <p>Department of Transportation (DOT), Federal Railroad Administration</p> <p><b>Statute:</b> Section 501 of P.L. 110-432; 49 U.S.C. 24401</p> <p><b>CFDA:</b> 20.317</p>	<p><b>\$8 billion</b></p> <p>DOT must give priority for development of intercity high-speed rail service.</p> <p>Funds available through September 30, 2012.</p> <p>May fund up to 100% of a project (current law requires 50% match).</p> <p>DOT must submit a strategic plan to Congress, within 60 days, that describes how funds will be used to improve and deploy high speed passenger rail systems, and issue interim guidance to applicants within 120 days covering grant terms, conditions, and procedures until final regulations are issued.</p>	<p>Capital improvements to improve intercity passenger rail service. Capital improvements include:</p> <ul style="list-style-type: none"> <li>- purchase of passenger rolling stock (i.e., train cars);</li> <li>- improvement of existing track to allow for higher maximum speeds;</li> <li>- the addition or lengthening of passing tracks to increase capacity;</li> <li>- improvement of interlocking to increase capacity and reliability; and</li> <li>- improvement of signaling systems to increase capacity and maximum speeds, and improve safety.</li> </ul>	<p>For a map and descriptions of designated high speed rail corridors, visit the Federal Railroad Administration's website.</p>
<p><b>Amtrak Capital Grants</b></p> <p>Department of Transportation (DOT), Federal Railroad Administration, National Railroad Passenger Corporation</p> <p><b>Statute:</b> Section 101(c) of the Passenger Rail Investment and Improvement Act of 2008</p> <p><b>CFDA:</b> 20.315</p>	<p><b>\$1.3 billion</b> (\$450 million for capital grants for security improvements)</p> <p>For non-security grants, priority must be given to repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity including the rehabilitation of rolling stock.</p> <p>Funds must be awarded within 30 days of enactment.</p>	<p>Capital improvements. Funds may not be used to subsidize operating losses.</p>	<p>For a description of some examples of projects that will be funded under this program, see the White House's funding announcement.</p>

Program	Funding	Uses	Resources/ Comments
<p><b>Public Transit Capital Assistance</b></p> <p>Department of Transportation (DOT), Federal Transit Administration (FTA)</p> <p><b>Recovery Act Guidance:</b> 74 Fed. Reg. 9656 (guidance for formula funds); preliminary Disadvantaged Business Enterprise guidance</p> <p><b>Statutes:</b> 49 U.S.C. 5302(a)(1); 49 U.S.C 5307 (Urbanized Area Formula Grants); 49 U.S.C. 5311 (formula grants for other than urbanized areas program)</p> <p><b>CFDA:</b> 20.507; 20.509</p>	<p><b>\$6.9 billion</b></p> <p>Formula Grants:  - Urbanized Area Formula Grants: \$5.97 billion  - Non-Urbanized Formula Grants: \$765 million</p> <p>See FTA's Recovery Act guidance for tables detailing apportionment of these formula funds to individual urban areas and states.</p> <p>Discretionary Grants:  - Tribal Program: \$17 million  - Discretionary Energy Program: \$100 million (see next page)</p> <p>Recipients must obligate 50% of the funds they receive by September 1, 2009. Any portion of the 50% that remains unobligated will be redistributed among the states. All of the funds must be obligated by March 5, 2010 or be subject to redistribution. All funds that remain unobligated on September 30, 2010 revert to the U.S. Treasury.</p>	<p>Capital expenses as defined by 49 U.S.C. 5302(a)(1), including:</p> <ul style="list-style-type: none"> <li>- acquiring, constructing, supervising, or inspecting public transportation equipment or facilities;</li> <li>- rehabilitating and remanufacturing buses;</li> <li>- overhauling rail rolling stock;</li> <li>- preventive maintenance;</li> <li>- certain public transportation improvements that enhance economic development or incorporate private investment;</li> <li>- introducing new technology into public transportation;</li> <li>- providing non-fixed route paratransit transportation services, subject to certain requirements;</li> <li>- certain crime prevention and security projects; and</li> <li>- certain planning, management, and coordination activities related to mobility management.</li> </ul> <p>Although these funds are limited to capital projects, Public Advocates notes that transit agencies can use the funding for Urbanized Area Formula Grants (5307 funds) for “preventive maintenance,” including the major costs of repairing buses, trains, and other transit vehicles, such as engine or transmission overhauls. These costs can constitute a significant portion of a transit agency’s operating costs. However, some Metropolitan Planning Organizations (MPOs) have restrictions on the allowable percentage of 5307 funds that can be used for preventive maintenance.</p>	<p>Funds are subject to existing regulations and guidance related to the Americans with Disabilities Act, Title VI, and Disadvantaged Business Enterprise (DBE) programs, and to Title 49 labor standards (prevailing wages, collective bargaining rights, priority for reemployment of laid-off workers, and paid training or retraining programs).</p> <p>Under DBE requirements, 10% of funds must be expended through small business concerns owned and controlled by “socially and economically disadvantaged” individuals. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.</p>

Program	Funding	Uses	Resources/ Comments
<p><i>Continued from previous row</i></p>	<p><b>Discretionary Energy Program:</b> \$100 million</p> <p>FTA will distribute discretionary grants to public transit agencies.</p>	<p>Capital investments that will assist in reducing energy consumption or greenhouse gas emissions of public transportation systems.</p> <p>FTA must prioritize projects based on their projected total energy savings and projected energy savings as a percentage of total energy usage of the public transit agency.</p>	
<p><b>Fixed Guideway Infrastructure Investment</b></p> <p>Department of Transportation (DOT), Federal Transit Administration</p> <p><b>Recovery Act Guidance:</b> 74 Fed. Reg. 9656 (guidance for formula funds); preliminary DBE guidance</p> <p><b>Statute:</b> 49 U.S.C. 5309</p> <p><b>CFDA:</b> 20.500</p>	<p><b>\$750 million</b></p> <p>Apportionment: See Table 6 in FTA Recovery Act Guidance. Funding is generally limited to urban areas with populations of more than 200,000.</p> <p>Recipients must obligate 50% of the funds they receive by September 1, 2009. Any portion of the 50% that remains unobligated will be redistributed among the states. All of the funds must be obligated by March 5, 2010 or be subject to redistribution. All funds that remain unobligated on September 30, 2010 revert to the U.S. Treasury.</p> <p>No state or local match required.</p>	<p>Assist in financing the acquisition, construction, reconstruction, and improvement of facilities, rolling stock and equipment for use in public transportation service.</p> <p>A “fixed guideway” is any transit service that uses exclusive or controlled rights-of-way or rails, and includes heavy rail, commuter rail, light rail, and monorail.</p>	<p>Disadvantaged Business Enterprise requirement (see discussion above in Public Transit Capital Assistance) applies to these funds.</p>

Program	Funding	Uses	Resources/ Comments
<p><b>Capital Investment Grants for New Starts and Small Starts Fixed Guideway Projects</b></p> <p>Department of Transportation (DOT), Federal Transit Administration</p> <p><b>Purpose:</b> Construction of new fixed guideway systems or extensions to existing systems. Discretionary grants for New Starts and Small Starts Projects.</p> <p><b>Statute:</b> 49 U.S.C. 5309(d)-(e)</p> <p><b>CFDA:</b> 20.500</p>	<p><b>\$750 million</b></p> <p>Projects that are currently in construction or able to obligate funds within 150 days are prioritized.</p>	<p>The general purpose is construction of new fixed guideway systems or extensions to existing fixed guideway systems. Specific uses include:</p> <ul style="list-style-type: none"> <li>- construction or extension of light rail, rapid rail (heavy rail), commuter rail, monorail, automated fixed guideway system (such as a “people mover”) and</li> <li>- busway/high occupancy vehicle (HOV) facility.</li> </ul> <p>New start projects can involve the development of transit corridors and markets to support the eventual construction of fixed guideway systems, including the construction of park-and-ride lots and the purchase of land to protect right-of-ways.</p>	

Program	Funding	Uses	Resources/ Comments
<p><b>Energy Efficiency and Conservation Block Grants</b></p> <p>Department of Energy (DOE), Office of Energy Efficiency and Renewable Energy</p> <p><b>Purpose:</b> Implementing strategies to: reduce fossil fuel emissions in a way that is environmentally sustainable and maximizes benefits for local and regional communities; reduce total energy use; and improve energy efficiency in the transportation sector, building sector, and other appropriate sectors.</p> <p><b>Statute:</b> 42 U.S.C. 17151 et seq.; Title V, Subtitle E of Energy Independence and Security Act of 2007</p>	<p><b>\$3.2 billion</b> (\$2.8 billion for formula grants, remainder for competitive grants)</p> <p>Formula Grant: DOE allocates to local governments, states, and Indian tribes as follows:</p> <ul style="list-style-type: none"> <li>- 68% to local governments</li> <li>- 28% to states (60% must be passed to local governments not receiving direct funding)</li> <li>- 2% to tribes</li> <li>- 2% to competitive grants—priority to local governments in states with populations of less than two million, or that plan to carry out projects that would result in significant energy efficiency improvements or reductions in fossil fuel use</li> </ul> <p>Local governments may subgrant funds to nongovernmental organizations, up to the greater of 20% of funds or \$250,000.</p>	<p>Some of the eligible uses for programs to conserve energy used in the transportation sector include:</p> <ul style="list-style-type: none"> <li>- use of flex-time by employers;</li> <li>- satellite work centers;</li> <li>- development and promotion of zoning guidelines or requirements that promote energy-efficient development;</li> <li>- development of infrastructure such as bike lanes and pathways and pedestrian walkways; and</li> <li>- other transportation-related activities that “achieve purposes of the program” may also be allowable.</li> </ul>	<p>First-year funding can be used to develop a “proposed energy and conservation strategy” that each local government must submit to DOE within one year of receiving initial allocation.</p> <p>Strategy must include goals for increased energy efficiency and conservation and a plan for using funds to achieve those goals. DOE must approve or disapprove it within 120 days. Additional funding is contingent on plan approval.</p> <p>Program was initially authorized in 2007, but no funds were appropriated. DOE has yet to issue program guidance, allocation formulas, and related policy. Authorizing statute requires DOE to establish a state and local advisory committee to advise it regarding program administration, implementation, and evaluation.</p> <p>DOE may determine other allowable uses of funds (consistent with program purposes) in consultation with EPA, DOT, and HUD.</p>

## Additional Programs that Could Potentially Be Utilized for Transportation Infrastructure

Program	Funding	Uses	Resources/ Comments
<p><b>State Energy Program</b></p> <p>Department of Energy (DOE), Office of Energy Efficiency and Renewable Energy</p> <p><b>Purpose:</b> Promote energy conservation, reduce the growth rate of energy demand, and reduce dependence on imported oil through the development and implementation of a comprehensive State Energy Program and the provision of federal financial and technical assistance to states.</p> <p><b>Statute:</b> 42 USC 6321 et seq; Part D of Title III of the Energy Policy and Conservation Act</p> <p><b>Regulations:</b> 10 CFR 420 et seq</p> <p><b>CFDA:</b> 81.04</p>	<p><b>\$3.1 billion</b></p> <p>Formula Grant: DOE allocates funds to states:</p> <ul style="list-style-type: none"> <li>- 1/3 equally among states</li> <li>- 1/3 according to state population</li> <li>- 1/3 according to state energy consumption</li> </ul>	<p>Funds may be used for various mandatory and optional components of state energy conservation plans. Transportation-related components include:</p> <ul style="list-style-type: none"> <li>- programs to promote the availability and use of carpools, vanpools, and public transportation (mandatory component) and</li> <li>- programs to increase transportation energy efficiency (optional component).</li> </ul>	<p>To receive funds, state must submit an application to DOE, including any amendments to the plan needed to reflect changes the state is planning to undertake.</p>

Program	Funding	Uses	Resources/ Comments
<p><b>Economic Development Assistance Program</b></p> <p>Department of Commerce (DOC), Economic Development Administration (EDA)</p> <p><b>Recovery Act Guidance:</b> Solicitation for Applications for EDA's American Recovery Program</p> <p><b>Statute:</b> Public Works and Economic Development Act of 1965; 42 U.S.C. 3121</p> <p><b>Regulations:</b> 13 CFR 300 et seq.</p> <p><b>CFDA:</b> 11.300 (Public Works and Economic Development Program), 11.307 (Economic Adjustment Assistance Program)</p>	<p><b>\$150 million</b></p> <ul style="list-style-type: none"> <li>- \$50 million must be used to provide grants for economic adjustment (DOC must give priority consideration for these grants to areas that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring)</li> <li>- \$50 million may be transferred to federally-authorized regional Economic Development Commissions</li> </ul> <p>Eligible applicants include states, cities, counties, or other political subdivisions, including special purpose units engaged in economic or infrastructure development activities, institutions of higher education, and public or private non-profit organizations acting in cooperation with public officials.</p> <p>Projects must be located in areas that satisfy one or more of the following criteria:</p> <ul style="list-style-type: none"> <li>- Per capita income that is 80% or less than the national average per capita income;</li> <li>- Unemployment rate at least 1 percentage point greater than national average (for most recent 24-month period that data is available); and/or</li> <li>- An area that EDA (of DOC) determines has experienced or is about to experience a special need as a result of actual or threatened severe unemployment, or severe short-term or long-term changes in economic conditions (see section VII of EDA's guidance).</li> </ul> <p>EDA will give priority consideration to those applications that will significantly benefit regions "that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring." In addition, EDA will give preference to applications that include cash (rather than in-kind) contributions as the matching share.</p> <p>Generally, the amount of the EDA grant may not exceed 50% of the total cost of the project. Projects may receive an additional amount that must not exceed 30%, based on the relative needs of the region in which the project will be located, as determined by EDA.</p>	<p>Funds may be used for the Public Works and Economic Development Assistance Facilities Program (up to \$100 million) and the Economic Adjustment Assistance Program (at least \$50 million and up to \$150 million). Under the Public Works and Economic Development Assistance Facilities Program, eligible activities include:</p> <ul style="list-style-type: none"> <li>- acquisition or development of public land and investments for use in public works, public services, or development facilities and</li> <li>- acquisition, design and engineering, construction, rehabilitation, or improvement of publicly-owned and operated development facilities, including related machinery and equipment</li> </ul> <p>Under the Economic Adjustment Assistance Program, funds may be used for activities in an EDA-approved Community Development Economic Strategy including:</p> <ul style="list-style-type: none"> <li>- infrastructure improvements, provision of business or infrastructure financing through the capitalization of Revolving Loan Funds;</li> <li>- market or industry research and analysis; and</li> <li>- technical assistance, public services, and training.</li> </ul>	

Program	Funding	Uses	Resources/ Comments
<p><b>Community Development Block Grant (CDBG)</b></p> <p>Housing and Urban Development (HUD), Community Planning and Development</p> <p><b>Statute:</b> 42 U.S.C. 5301</p> <p><b>Regulations:</b> 24 CFR Part 570</p> <p><b>CFDA:</b> 14.218</p>	<p><b>\$1 billion</b></p> <ul style="list-style-type: none"> <li>- \$10 million awarded competitively via the Indian Community Development Block Grant Program</li> <li>- remainder allocated by formula</li> </ul> <p>Eligible applicants include states, units of local government that received CDBG Entitlement funding in fiscal year 2008, non-entitlement jurisdictions in Hawaii, and Insular Areas.</p> <p>For allocations by state and locality, see <a href="http://www.hud.gov/recovery/cdblock.cfm">http://www.hud.gov/recovery/cdblock.cfm</a>.</p> <p>70% of funds must be used for activities that benefit low- and moderate-income persons.</p>	<p>Eligible uses are quite broad and include (as one of numerous categories of allowable uses) the acquisition, construction, reconstruction, rehabilitation, and installation of public improvements or facilities. These terms are broadly interpreted to include all improvements and facilities that are either publicly-owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. Facilities include neighborhood facilities, firehouses, public schools, and libraries. Public improvements include streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, and aesthetic amenities on public property such as trees, sculptures, pools of water and fountains, and other works of art.</p>	<p>For more detail on allowable uses, see HUD's Guide to National Objectives and Eligible Activities for Entitlement Communities.</p>

Program	Funding	Uses	Resources/ Comments
<p><b>State Fiscal Stabilization Fund</b></p> <p>Department of Education (ED)</p> <p><b>Statutes:</b> 20 U.S.C. 6301 et seq. (Elementary and Secondary Education Act); 20 U.S.C. 1400 et seq. (Individuals with Disabilities Education Act); Carl D. Perkins Career and Technical Education Act (20 USC 2301)</p>	<p><b>\$53.6 billion</b></p> <ul style="list-style-type: none"> <li>- one-half of 1% to “outlying areas”</li> <li>- up to \$14 million for administration and oversight by ED</li> <li>- \$5 billion for State Incentive Grants (50% of which state must subgrant to local school districts)</li> <li>- remainder for formula grants to states</li> </ul> <p>State formula grants allocated as follows:</p> <ul style="list-style-type: none"> <li>- 61% based on each state’s population of individuals ages 5 through 24</li> <li>- 39% based on each state’s total population</li> </ul> <p>To receive formula funds, governor must submit an application to ED that includes a description of how state intends to use its allocation, an assurance that it will maintain education funding at fiscal year 2006 levels or greater, and an assurance that it will address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers.</p>	<p>Governors must use 18.2% of allocations for “public safety and other government services.” Potential transportation uses of these funds are not specified in the Recovery Act, but most, including operating expenses, would be allowable as a “government service.”</p> <p>States must use remainder to support elementary, secondary and higher education, and, as applicable, early education programs and services.</p>	<p>ED has yet to release detailed guidance, but has published a summary, found on their website.</p>

## IV. Resources Related to Transportation Investments in the Recovery Act

### Government Websites

- **Recovery.gov** provides information, tracking, and resources for 2009 American Recovery and Reinvestment Act.  
*Website: [www.recovery.gov](http://www.recovery.gov)*
- **U.S. Department of Transportation** has a website dedicated to the recovery funds it oversees.  
*Website: [www.dot.gov/recovery](http://www.dot.gov/recovery)*
- **Federal Highway Administration** posts implementing guidance, gubernatorial certifications, answers to frequently asked questions, and apportionment notices.  
*Website: [www.fhwa.dot.gov/economicrecovery/index.htm](http://www.fhwa.dot.gov/economicrecovery/index.htm)*
- **Federal Transit Authority** posts guidance, important deadlines, and state apportionments.  
*Website: [www.fta.dot.gov/index\\_9118.html](http://www.fta.dot.gov/index_9118.html)*
- **Federal Railroad Administration** posts Recovery Act information and descriptions of designated high speed rail corridors.  
*Website: [www.fra.dot.gov/us/content/203](http://www.fra.dot.gov/us/content/203)*
- The **National Conference of State Legislatures** lists states that have websites dedicated to recovery spending and state-level oversight or advisory committees.  
*Website: [www.ncsl.org/programs/fiscallstimulusoversight.htm](http://www.ncsl.org/programs/fiscallstimulusoversight.htm)*
- The **Partnership for Working Families** has a range of resources on how to win community benefit agreements.  
*Website: [www.communitybenefits.org](http://www.communitybenefits.org)*
- **PolicyLink** has information on the equitable implementation of the Recovery Act and resources to advance equitable development.  
*Website: [www.policylink.org](http://www.policylink.org)*
- **Progressive States Network** has a resource guide for state legislators and advocates.  
*Website: [progressivestates.org/stimulus](http://progressivestates.org/stimulus)*
- **Public Advocates** has published a brief on using preventive maintenance funding for transit operations.  
*Website: [www.publicadvocates.org](http://www.publicadvocates.org)*
- **Smart Growth America** has a stimulus section of their website with general resources and also information about statewide campaigns they are coordinating.  
*Website: [stimulus.smartgrowthamerica.org](http://stimulus.smartgrowthamerica.org)*

### Websites of National Organizations

- The **Coalition for an Accountable Recovery** was formed to promote accountability policies for both government agencies and companies that contract with or benefit from recovery spending.  
*Website: [www.ombwatch.org/car](http://www.ombwatch.org/car)*
- The **National Complete Streets Coalition** has a “Stimulus Watch” section of their website that offers ideas of how to utilize recovery dollars to support bicycle and pedestrian infrastructure.  
*Website: [www.completestreets.org](http://www.completestreets.org)*
- The **Transportation for America Campaign** is working to reform federal transportation policy and has resources on the upcoming transportation reauthorization.  
*Website: [www.t4america.org](http://www.t4america.org)*
- The **Transportation Equity Network** has a range of resources and information about transportation equity campaigns across the country.  
*Website: [www.transportationequity.org](http://www.transportationequity.org)*



Lifting Up What Works®

**PolicyLink**



**Headquarters:**

1438 Webster Street, Suite 303  
Oakland, CA 94612  
t 510 663-2333  
f 510 663-9684

**Communications Office:**

55 West 39th Street, 11th floor  
New York, NY 10018  
t 212 629-9570  
f 212 629-7328

[info@policylink.org](mailto:info@policylink.org)  
[www.policylink.org](http://www.policylink.org)

Transportation Equity Network (TEN)  
c/o Metropolitan Congregations United  
4501 Westminster Place  
St. Louis, MO 63108  
t 314 443-5915

[laurabarrett@gamaliel.org](mailto:laurabarrett@gamaliel.org)  
[www.transportationequity.org](http://www.transportationequity.org)