

# TRANSPORTATION FUNDING IN THE AMERICAN RECOVERY AND REINVESTMENT ACT

ODOT has been working closely with local governments to develop plans to put economic stimulus money to work creating jobs and improving Oregon's transportation system. ODOT has prepared this frequently asked questions document to explain how the agency plans to handle this significant infusion of funding.

## ***How much highway program funding will Oregon receive?***

The American Recovery and Reinvestment Act (ARRA, HR 1) provides \$27.5 billion for the federal highway program, and \$26.66 billion of this will be distributed to the states by formula. Oregon will receive about 1.25 percent of total federal highway program funding distributed to the states. This translates into about \$334 million for Oregon.

## ***What requirements will this money come with?***

Transportation projects funded with stimulus resources will be subject to all normal federal requirements, including environmental reviews, right of way acquisition, and design standards; the ARRA does not waive or streamline any of these normal requirements. The ARRA requires that half of each state's funding (excluding funding allocated to local governments) be obligated within 120 days, while the remainder must be obligated within one year. There is also a "maintenance of effort" requirement under which funding must be used to supplement and not supplant the state's existing resources at the programmatic level. Transparency and accountability provisions will require regular reporting on use of funds.

## ***What types of projects will likely meet these requirements?***

Meeting the requirement to get half of all funding within 120 days will involve building projects that require minimal additional design, do not require buying right of way, and have minimal need for additional environmental analysis and mitigation; most viable projects will be classified as a Categorical Exclusion under NEPA. Most projects that meet these criteria will involve preservation of the existing road and highway system, such as paving, bridge repairs, and safety measures.

## ***What projects will ODOT build using its share of the funding?***

ODOT will distribute about \$223.7 million in highway program funding as well as \$10 million in Transportation Enhancements funding. In late February the Oregon Transportation Commission (OTC) allocated \$122.6 million in ARRA funding to 31 state highway projects. These projects will allow ODOT to meet the requirement of obligating half of its funding in 120 days. The OTC also approved the recommendation of its Transportation Enhancements Committee to allocate \$10 million to Transportation Enhancement projects, primarily for bicycle/pedestrian infrastructure. The remainder of ODOT's stimulus funding will be allocated in the future.

## ***How will funding flow to local government projects?***

The ARRA requires that states allocate 30 percent of funds to local governments through the Surface Transportation Program (STP) formula. In Oregon, this amounts to about \$100 million that will be shared with local governments. Under the formula ODOT has worked out with cities and counties, Metropolitan Planning Organizations (MPOs), all 36 Oregon counties, and cities over 5000 that are not in an MPO will receive allocations of funding. Each jurisdiction that receives an allocation of funds would be responsible for selecting one or more eligible projects to build. ODOT will also set aside \$5 million for road projects in jurisdictions that do not receive STP allocations, including small cities, tribal governments, and ports, and ODOT will select projects from those proposed by eligible agencies. Because all federal highway program funds through state DOTs, ODOT will administer the funds and oversee projects. Each project will require signing an Intergovernmental Agreement (IGA)

between ODOT and the local government sponsor. ODOT will work closely with local governments to move projects forward quickly through the federal highway process.

***How long will local governments have to obligate their funds?***

All highway program funds allocated to local governments must be obligated within one year of apportionment, which occurred on March 2.

***Is there a matching requirement?***

There is no requirement to provide matching funds.

***What types of projects can be funded using the highway program money?***

Highway program funds can be used for projects eligible under the Surface Transportation Program. This includes:

- Road construction, reconstruction, rehabilitation, resurfacing, restoration, and operational improvements.
- Bridge projects.
- Bicycle and pedestrian infrastructure.
- Highway safety infrastructure projects, including rail-highway grade crossings.
- Intelligent Transportation Systems.
- Transit capital projects, including vehicles and facilities used to provide intercity bus passenger service.
- Transportation enhancement activities.
- Carpool projects.

Road projects other than bridge and safety projects must generally be located on the federal-aid highway system, which does not include roads functionally classified as local or rural minor collectors. (For a complete list of STP eligible activities, please refer to Section 133(b) of title 23 of the U.S. Code.) Eligibility for use of highway funds under the ARRA is expanded to include passenger and freight rail and port infrastructure.

***Is funding for public transportation included in the stimulus legislation?***

The ARRA contains \$8.4 billion for public transportation, including \$6.9 billion for the urban and rural formula grant programs. Under the Federal Transit Administration's programs, funding for transit systems in communities with populations greater than 50,000 flows to the transit districts, while ODOT's Public Transit Division administers funding for non-urbanized areas. Transit districts in six urban areas in Oregon-- Portland, Salem/Keizer, Eugene/Springfield, Corvallis, Medford, and Bend-- will split about \$60.1 million. ODOT will distribute about \$14.6 million to rural transit projects. Half of all funds for each urban transit district and of each state's allocation of funding for nonurbanized areas must be obligated within 180 days.

***Will Oregon be able to take advantage of the funding for passenger rail?***

The ARRA contains \$9.3 billion for passenger rail, including \$8 billion for high-speed passenger rail corridors. ODOT partners with the Washington State DOT and Amtrak to operate the Cascades Amtrak service on the Northwest high-speed rail corridor. This corridor runs from Eugene through Portland and Seattle on to Vancouver, British Columbia and is one of the nation's top passenger rail corridors in terms of ridership. ODOT would seek a federal investment from the stimulus program to improve the speed and reliability of passenger rail service on the corridor and build capacity to allow for the eventual addition of a third daily roundtrip train between Eugene and Portland.

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