



American Recovery and Reinvestment Act of 2009 Summary and Highlights

The U. S. House of Representatives and the U.S. Senate gave final clearance February 13 to the \$787 billion American Recovery and Reinvestment Act of 2009 (H.R. 1). The bill, signed into law February 17, provides investments in infrastructure, health, education, training and energy and more than \$211 billion in tax cuts. It includes no earmarks and establishes oversight and accountability mechanisms.

Highlights

- Funds are distributed whenever possible through existing formulas and programs.
- Numerous provisions provide for expedited obligation of funds.
- The Government Accountability Office and the Inspectors General are provided additional funding for auditing and investigating recovery spending.
- A new Recovery Act Accountability and Transparency Board will coordinate and conduct oversight of recovery spending.
- A website will provide transparency by posting information about recovery spending, including grants, contracts and oversight activities.
- State and local whistleblowers who report fraud and abuse are protected.

Transportation

Transportation	\$1.5 billion for “Supplemental Discretionary Grants for a National Transportation System”
Highways	\$27.5 billion
Transit	\$8.4 billion
Rail	\$9.3 billion (including \$1.3 billion for Amtrak)
Airports	\$1.1 billion for the Airport Improvement Program

Discretionary Grants for a National Transportation System

- A Supplemental Discretionary Grants for a National Transportation System is established to provide competitive grants to state and local governments for projects that will make a significant impact on the nation, a metropolitan area or a region.
- Priority will be given to projects that can be completed in three years.
- Eligible projects include highways and bridges, public transportation, passenger and freight rail and port infrastructure.
- Program requires an equitable geographic distribution of funds and appropriate balance in addressing the needs of urban and rural communities.

- Grants shall not be less than \$20 million and not greater than \$300 million.
- Grant size may be waived to fund significant projects in smaller cities, regions or states.
- Not more than 20 percent of funds may be awarded to projects in a single state.
- The federal share may be up to 100 percent.
- Priority will be given to projects that require a contribution of federal funds to complete a financing package and to projects that are expected to be completed within three years.
- Grant award criteria will be published within 90 days of enactment.
- Applications must be submitted within 180 days of publication.
- All projects selected must be announced within one year of enactment.
- \$200 million are set aside for Transportation Infrastructure Finance and Innovation Act (TIFIA) program.

Highway Funding

- Funds will be apportioned within 21 days of enactment.
- Federal share is 100 percent.
- Funds will remain available through September 30, 2010.
- Funds may be used for passenger and freight rail and for port infrastructure.
- Fifty percent of funds are apportioned to states using Surface Transportation Program formula and 50 percent apportioned to states using fiscal year 2008 obligation limitation distribution.
- Priority will be given to projects projected for completion within three years and are located in economically distressed areas, as defined in the Public Works and Economic Development Act of 1965.
- States must obligate 50 percent of funds within 120 days (excluding suballocated funds) or unobligated funds will be redistributed to other states.
- All funds must be obligated within one year or are redistributed.
- An extension of the one year period may be granted for extenuating circumstances.
- Three percent of funds are set aside for Transportation Enhancements.
- Thirty percent of funds are suballocated within each state under population formulas of the Surface Transportation Program and are not subject to redistribution after 120 days.
- Setasides include approximately \$840 million for ferries, Indian reservations, federal lands and parks, U.S. Territories, technology training, Disadvantaged Business Enterprise bonding assistance and FHWA administrative expenses.

Public Transportation Funding

- Funds will be apportioned 21 days after enactment.
- Federal share is 100 percent.
- Funding will be apportioned through existing formulas.
- Fifty percent of transit funds must be obligated within 180 days or unused funds will be redistributed to other states.
- All funds must be used within one year or are redistributed.
- An extension of the one year period may be granted for extenuating circumstances.
- \$100 million will be distributed as discretionary grants for capital investments that will assist in reducing energy consumption or greenhouse gas emissions.
- Eighty percent of funds will be apportioned using Urbanized Area formula, 10 percent using the Growing and High Density State formula and 10 percent using the Non Urbanized formula.

Environment and Water

\$4 billion Clean Water State Revolving Fund
\$2 billion Safe Drinking Water State Revolving Loan Fund
\$4.6 US Army Corps of Engineers Water Resources Projects
\$1 billion US Bureau of Reclamation Rural Water Projects
\$1.38 billion Rural Water & Waste Disposal Program
\$6 billion for Superfund
\$1 billion for Brownfields
\$3.2 billion for Energy Efficiency & Conservation Block Grant Program
\$3 billion for Diesel Emission Reduction Act Grants

SRF

- Ready-to-Go means projects that can be under construction or contract within 12 months of the date of enactment.
- No local match or cost sharing requirements.
- Priority is to be given to projects on the State Priority List that are Ready-to-Go within 12 months.
- At least 50% of funds must be made available in the form of grants to provide additional subsidization in the form of principal forgiveness, negative interest loans or any combination of these.
- To the extent that there are sufficient Ready-to-Go projects no less than 20% of the provided to the SRFs shall be used for green infrastructure projects.
- No funds may be used to purchase land or easements
- Funds may be used to buy, refinance or restructure the debt obligations of eligible recipients on where such debt was incurred on or after 10/1/2008.

USACE & Bureau of Reclamation

- Funding available for projects authorized by WRDA.
- Funding is directed toward planning and construction for water infrastructure projects and maintenance of existing water infrastructure to eliminate the \$61 billion backlog of such projects.
- Unlimited reprogramming authority is provided to the Secretary
- Funds provided under this section shall be used for projects that can be completed without new budget authority.

Energy Efficiency & Conservation Block Grants

- The EECEBG program is under the auspices of the Department of Energy (DOE). While the guidelines for the EECEBG program have not been published, the DOE has indicated the guidelines will be released shortly.

Diesel Emission Reduction Grants

- Matching requirements waived.

Emergency Management and Homeland Security

Department of Homeland Security

- Coast Guard – Alteration of Bridges - \$142 million

Federal Emergency Management Agency - State and Local Programs

- \$300 million for grants. Specifically, funds will be allocated as follows -
 - \$150 million – Public Trans. and Railroad Security
 - \$150 million – Port Security

Disaster Assistance Direct Loan Program Account

- The amount of any loan issued for major disasters occurring in 2008 may exceed \$5 million, and may be equal to no more than 50 percent of the annual operating budget of the local government in any case in which local government has suffered a loss of more than 25 percent in tax revenues.

General Provisions

- The President will establish an arbitration panel under the FEMA public assistance program to expedite recovery efforts from Hurricanes Katrina, Rita, Gustav and Ike. The panel will have the authority to award or deny disputed public assistance applications for covered hurricane damage for a project totaling more than \$500,000.