Stimulus Funding and Transportation

Stuart Anderson
Iowa Department of Transportation

Transportation Scholars Seminar
March 13, 2009
Overview

- American Recovery and Reinvestment Act of 2009 (federal)
- I-JOBS (state)
- Other funding issues
American Recovery and Reinvestment Act (ARRA) of 2009

- Enactment – February 17
- Purpose is jobs
- Infrastructure is key component
Fund Administration

- Tight deadlines for obligating, awarding, and/or contracting funds. Varies by program.
- 100 percent money
- All federal regulations apply
- Formula distribution and discretionary grants
- Suballocation requirements
- Use it or lose it
- Supplement vs. supplant
- Accountability/transparency
  - Governor certifications
  - Recipient reporting requirements
  - Public information
Overall Distribution

Total $787 billion

Spending $575 billion

Tax Cuts $212 billion

Non-infrastructure $519 billion

Infrastructure $56 billion

Transportation $48.0 billion

- Highways $27.5 billion
- Transit $8.4 billion
- Rail $9.3 billion
- Aviation $1.3 billion
- Discretionary Grants $1.5 billion
<table>
<thead>
<tr>
<th></th>
<th>Discretionary Grants</th>
<th>Highways</th>
<th>Transit</th>
<th>Rail</th>
<th>Aviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference Bill</td>
<td>Funding level</td>
<td>Funding level</td>
<td>Funding level</td>
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<td>Funding level</td>
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<tr>
<td></td>
<td>National: $1.5 billion</td>
<td>National: $27.5 b</td>
<td>- Transit capital assistance: $6.9b</td>
<td>- High speed corridors/Intercity pass. rail: $8 b</td>
<td>- Airport improvement program: $1.1 b</td>
</tr>
<tr>
<td>Iowa: Unknown</td>
<td>Iowa: $358 m</td>
<td>Iowa: $36 m</td>
<td>- Fixed guideway: 0.75b</td>
<td>- Amtrak: $1.3 b</td>
<td>- Facilities and equipment: $0.2 b</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Capital investment grants: 0.75 b</td>
<td>Iowa: Unknown</td>
<td>Iowa: Unknown</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Iowa: $36 m</td>
<td></td>
<td>Iowa: Unknown</td>
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<tr>
<td></td>
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<td></td>
<td>Formula allocation to states by program.</td>
<td>Competitve grants for high speed corridors/intercity pass. rail. Priority on high speed corridors. No match required.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- 80% urban</td>
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<td></td>
<td></td>
<td></td>
<td>- 10% rural</td>
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<td></td>
<td></td>
<td></td>
<td>- 10% growth/density</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>No match required.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>50% obligated within 120 days and remaining within one year</td>
<td>Funding for buses, bus facilities, paratransit and others.</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>(may be extended one year in exceptional circumstances). Allocation to local areas not subject to 120 day redistribution.</td>
<td>Funding for improvements on the federal aid system, transit, trails, rail, and ports</td>
<td></td>
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</table>

- Iowa: Unknown

**Transportation Program Overview**
# Highway Funding Suballocation

<table>
<thead>
<tr>
<th>Conference Bill</th>
<th>DOT Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iowa DOT: $240.0 million</td>
<td>Iowa DOT: $238.2 million</td>
</tr>
<tr>
<td>Locals: $107.5 million</td>
<td>Locals: $120.0 million</td>
</tr>
<tr>
<td>Trails: $10.7 million</td>
<td>Trails: $10.7 million (included in above values)</td>
</tr>
<tr>
<td>Total: $358.2 million</td>
<td>Total: $358.2 million</td>
</tr>
</tbody>
</table>
ARRA Project Summary

- Highway (state) – 42 projects for $244 million
  - Will use $228.2 million of ARRA funding
  - 70 percent of the programmed dollars are in economically distressed counties
  - Does not include $5 million allocated to eight Transportation Enhancement projects
  - Does not include $5 million that is being held in reserve for Transportation Commission consideration

- Highway (local) – 183 projects for $120 million
ARRA Project Summary

- Transportation Enhancements (Trails)
  - No dedicated funding, part of highway allocation
  - Eight projects for $5 million programmed from DOT allocation of highway funding
  - 14 projects for $7.3 million programmed from RPA/MPO allocation of highway funding

- Transit
  - Dedicated funding by formula - $36.5 million to Iowa
  - Vehicle replacement
  - Facilities
  - Service expansion
ARRA Project Summary

- Rail
  - Competitive funding for passenger rail
  - Potential passenger rail projects include infrastructure improvements to support service from Chicago to Dubuque and from Chicago to Quad Cities/Iowa City: $32.5 million
  - No dedicated funding for freight rail but DOT will solicit projects for Commission consideration of the $5 million of DOT ARRA highway funding held in reserve.

- Aviation
  - Competitive funding – Iowa is expected to receive approximately $10 million
  - Runway/taxiway rehabilitation and construction
  - Terminal improvements
  - Hangers and other vertical infrastructure
Actions To Date

- **February 17**: ARRA enacted
- **February 19**: Iowa DOT awarded $56.6 million in highway funding
- **March 2**: ARRA highway funds apportioned to states
- **March 2**: Final local project determination
- **March 4**: ARRA Section 1511 certification submitted by Iowa
- **March 10**: Transportation Commission approval of transit, Transportation Enhancement and highway projects
Additional Highway Investment

TIME-21 Critical Funding Level: $267 million

TIME-21
ARRA Funding
Building a 21st Century Infrastructure and Creating Jobs Statewide!
I-JOBS is a $750 million, 3-year investment in Iowa’s infrastructure. It will create jobs, strengthen our economy, and allow us to build a safer, stronger, greener, and smarter state.

All without raising taxes!
Who Benefits from I-JOBS

• All IOWANS benefit by creating and supporting good jobs across the state

• How many jobs? Federal estimates are $100 million in infrastructure creates and retains nearly 2,800 jobs
What Benefits from I-JOBS

- Roads
- Bridges
- Community Colleges
- Alternative Energy
- Iowa Veterans Home
- Airports
- Mass Transit
- Alternative Energy
- Disaster Areas
- National Guard
- Internet Access
- Correctional Facilities
- Water Quality
- Rail
- Schools
- Trails
I-JOBS and Transportation

• Maximize benefits of federal funds
• Enhance public safety
• Create and support jobs
• Support flood rebuilding
• Support renewable fuel and alternative energy
• Improve access to jobs for all Iowans
• Reduce pollutants and greenhouse gas emissions
I-JOBS and Transportation

$250 Million Over a Two-Year Period

- Highways and Bridges: $200 million
- Other modes: $50 million
I-JOBS and Transportation

Highway Funding Distribution
DOT: 50 percent ($100 million)
Cities: 20 percent ($40 million)
Counties: 20 percent ($40 million)
Flood recovery fund: 10 percent ($20 million)

Modal Funding Distribution
Distributed by application process
Transportation Commission review and approval
## I-JOBS and Transportation

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Highway – DOT</td>
<td>$40 m</td>
<td>$60 m</td>
<td>$100 m</td>
</tr>
<tr>
<td>Highway – Local</td>
<td>$74 m</td>
<td>$26 m</td>
<td>$100 m</td>
</tr>
<tr>
<td>Other modes</td>
<td>$25 m</td>
<td>$25 m</td>
<td>$50 m</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$139 m</td>
<td>$111 m</td>
<td>$250 m</td>
</tr>
</tbody>
</table>
I-JOBS and Transportation

Highway

STATE

• Reduce structurally deficient/functionally obsolete bridges
• Improve highway safety

LOCAL

• Support local roads not eligible for disaster aid
• Improve highway safety
I-JOBS and Transportation

Aviation

• Improve vertical infrastructure
• Improve runways and taxiways

Rail

• Passenger: Rehabilitate track
• Passenger: Improve/rehabilitate stations
• Freight: Fund rail access new, expanding business
• Freight: Rebuild rail damaged by floods
I-JOBS and Transportation

Trails

- Repair flood damaged infrastructure
- Modernize and rehabilitate existing trails
- Develop trails on abandoned rail lines
- Increase connectivity of statewide trails

Transit

- Improve facilities (including flood rebuilding)
Additional Highway Investment

TIME-21 Critical Funding Level: $267 million
Other funding issues

- Highway Trust Fund solvency
- Federal authorization
- TIME-21 funding shortfall
- Fuel tax
- Per-mile user charge
- Bonding
Questions?

Stuart Anderson
Planning, Programming and Modal Division
Iowa Department of Transportation
stuart.anderson@dot.iowa.gov
515-239-1661