

Economic Recovery and Reinvestment Act

Frequently Asked Questions

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Created by America Bikes and the Safe Routes to School National Partnership

The American Recovery and Reinvestment Act (ARRA) of 2009 has now been passed by Congress and signed into law by President Barack Obama. The law provides \$789 billion in spending and tax cuts to stimulate the economy. ARRA provides an important opportunity for states, cities, counties and schools to create healthier communities. Funding is available to build sidewalks, bike lanes, pathways, and to create complete streets. This infrastructure can help to create an interconnected bicycle and pedestrian network, improving safety and providing opportunities for increased physical activity for both children and adults.

Four pots of funding are of interest to implementing bicycle and pedestrian infrastructure – however, advocates must act quickly to ensure that healthy infrastructure is funded:

- **Highway Funding and Transportation Enhancements:** The law provides \$27.5 billion in highway funding to modernize roads and bridges.
 - \$550 million goes to roads on federal lands, including \$170 million for park roads and parkways.
 - A total of \$26.8 billion of the highway funding is distributed to states based on surface transportation program formulas which take into account population, miles of highway, and other factors. States must spend 3 percent of their allocation on the Transportation Enhancements program, which is a primary source of bicycle and pedestrian infrastructure funding. The remainder of the “highway” money also creates an opportunity to build complete streets. All of the highway funding is flexible and bicycle and pedestrian projects are eligible. The 3 percent in Transportation Enhancements is a floor not a ceiling.
 - 30 percent of a state’s allocation is sub-allocated to urbanized areas.
- **School Modernization:** States will be also receiving \$53.6 billion in state fiscal stabilization funding. States must use 18.2 percent of their funding – or \$9.7 billion – for public safety and government services. An eligible activity under this section is to provide funding to K-12 schools and institutions of higher education to make repairs, modernize, and renovate to meet green building standards. LEED’s green standards for schools include bicycle and pedestrian facilities and access to the school.
- **Energy Efficiency:** \$3.1 billion is provided for the Energy Efficiency and Block Grant Program, which provides formula funding to cities, counties, and states to undertake a range of energy efficiency activities. One eligible use of funding is for bicycle and pedestrian infrastructure.
- **Community Development Block Grants:** \$1 billion is provided for the Community Development Block Grants program, which provides formula funding to cities and counties that meet certain criteria to undertake community improvement activities. One eligible use of funding is for bicycle and pedestrian infrastructure.

The highest priority for advocates should be the highway funding, as it includes specific funding for bicycle and pedestrian projects through Transportation Enhancements and opportunities to apply Complete Streets principles to the rest of the highway funding. The other funding sources may include bicycle and pedestrian projects as eligible uses of funding, but the likelihood is much more remote given the large number of competing demands. It is important that advocates take action quickly as states and communities are moving quickly to select projects for funding. The complete text of the bill can be found on the [White House website](#).

On the following pages are frequently asked questions about each of these four funding sources.

Transportation Funding, including Transportation Enhancements and Opportunities to Create Complete Streets

What is included in the transportation funding?

As discussed above, \$26.8 billion is for road and bridge modernization in the states, of which 3 percent must be spent on transportation enhancements. States will also receive \$8.4 billion to increase public transportation and improve transit facilities. An additional \$8 billion is provided for investment in high-speed rail and another \$1.5 billion will be used for a competitive surface transportation grant program for large projects.

How much money is available for bicycle and pedestrian projects under the transportation funding?

States will receive \$26.8 billion for road and bridge modernization based on existing transportation formulas. States must spend 3% of their allocation on Transportation Enhancements (TE), roughly \$800 million nationwide. Between 50-60 percent of TE is usually spent on bike and pedestrian projects, although this varies from state to state. Scroll to the end of this section for additional uses of TE funding. It's important to be working now in your state to secure as much of the TE money for bike/ped as possible.

In addition, 30 percent of a state's allocation must be sub-allocated to urbanized areas, which provides a role for Metropolitan Planning Organizations (MPOs) and cities in determining usage of stimulus transportation funding. While none of this funding is specifically dedicated to bicycle or pedestrian projects, advocates may find a more sympathetic environment at the local level.

The entire \$27.5 billion road and bridge funding is flexible, and can also be spent on bicycle, pedestrian and Complete Street projects at the discretion of the states. There is also some flexibility in the \$8.4 Billion for Transit funding, which allows for bicycle and pedestrian facilities. Advocates can work to influence project designs to create "complete streets" that include accommodations for cyclists and pedestrians.

What guidelines do states have for spending the funding?

The [Federal Highway Administration \(FHWA\)](#) and [Federal Transit Administration](#) have issued guidance to assist state and local agencies in preparing for implementation of the stimulus bill. The guidance includes Q&As and actions that can be taken to expedite economic recovery projects.

How much money will my state get for Transportation Enhancements?

[Click here](#) for a preliminary estimate of funding for each state. The Federal Highway Administration must provide an official allocation for each state no later than March 7, 2009.

Is there a time limit on when this money must be spent?

States are required to obligate (which means the state has expended or contracted to expend) at least half of their highway funding within 120 days of the bill's passage. The US Department of Transportation will rescind any of that funding that has not been obligated and redistribute to states that have successfully obligated half of their funding. The remaining half of a state's funds must be obligated within 1 year. Similarly, US DOT will rescind any unobligated funds after one year and redistribute those funds to other states that have obligated all their funds. The funding that is sub-allocated to urbanized areas is only subject to the one-year deadline. Transportation Enhancements funding is also subject to the same deadlines, meaning that half of the funds must be obligated within 120 days and the remainder within one year.

This means time is of the essence, and advocates should work quickly to encourage state DOTs to obligate their Transportation Enhancements funding, and to ask MPOs and local governments to prioritize bicycle and pedestrian projects!

Will Transportation Enhancements be used to fund the Ready to Go list of projects that America Bikes and its partners collected last fall?

We hope so, but there is no guarantee. No specific projects, or earmarks, are in the bill. The list was simply created to show that demand does exist for bike/ped projects. Now, decisions of what to fund falls to the [State Departments of Transportation](#) as well as MPOs and local governments. America Bikes will be sending the [project list](#) to each state's Governor and DOT; however, local advocates are encouraged to [take action](#) at the local level to encourage state DOTs, MPOs and local governments to fund these bike/ped projects in your state.

What types of projects are eligible under Transportation Enhancements?

The 12 types of projects eligible under transportation enhancements (as defined in subsection 101 (a)(35) of title 23) include:

- Provision of facilities for pedestrians and bicycles.
- Provision of safety and educational activities for pedestrians and bicyclists.
- Acquisition of scenic easements and scenic or historic sites (including historic battlefields).
- Scenic or historic highway programs (including the provision of tourist and welcome center facilities).
- Landscaping and other scenic beautification.
- Historic preservation.
- Rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals).
- Preservation of abandoned railway corridors (including the conversion and use of the corridors for pedestrian or bicycle trails).
- Inventory, control, and removal of outdoor advertising.
- Archaeological planning and research.
- Environmental mitigation—
 - to address water pollution due to highway runoff; or
 - reduce vehicle-caused wildlife mortality while maintaining habitat connectivity.
- Establishment of transportation museums

What can I do to encourage my state to use its Transportation Enhancements funding on bicycle and pedestrian projects?

You can play an important role in familiarizing your state and local government officials with needed bicycle and pedestrian improvements, as well as how these improvements will stimulate the economy and move us towards a green transportation network. One important connection to the goals of the bill is that bike/ped improvement improve "main street" which will lead to more people patronizing local businesses. [Click here](#) for ideas on how to take action and advocate for bike/ped in your community and state.

What about the other 97 percent of highway spending? Can that be spent on bicycle, pedestrian and Complete Street projects?

Bicycle and pedestrian access and safety will definitely be affected by how states spend the rest of the roads and bridges money, so it's important to push states to prioritize complete streets projects including bicycle, pedestrian and safety improvements when building, restoring and repairing roads and bridges.

All road and bridges projects will require that the DOT and/or local government release a project description before and during the public comment period. To advocate for Complete Streets projects, advocate for a project to contain the following items:

- ADA-compliant curb cuts;
- sidewalk improvements;
- new bicycle lanes;
- pedestrian medians;

- roadside improvements for public transportation including bus shelters and bus-priority traffic signals;
- traffic calming measures such as chicanes and speed humps;
- improved landscape features, including street trees, benches, and street lighting;
- intersection and crossing improvements for non-motorized users; and
- other improvements to the safety, accessibility and quality of the road.

For more information on Complete Streets go to www.completestreets.org

Are bicycle and pedestrian facilities eligible under the transit funding?

The \$8.4 billion available for public transportation and transit stations is also flexible and can include bicycle and pedestrian facilities on buses, and at and around transit stations and bus stops. You can read more about eligibility requirements and guidance to states at the [Federal Transit Administration](http://www.federaltransitadministration.gov) website

There's so much to do? Where should I start?

The first place to start is in pushing your Governor and DOT to obligate Transportation Enhancements in the first 120 days, and prioritizing Complete Street projects. The states will be focused on obligating funding within the first 120 days. At the local level, it's important that you contact your mayor and local officials about the importance of including bicycle and pedestrian infrastructure and Complete Streets in economic recovery projects. Take a look at our [Take Action](#) resources for sample letters and talking points on transportation funding.

School Modernization Funding

What funding is included for school modernization?

The law provides \$53.6 billion to states for a "state fiscal stabilization fund." Each state's Governor must apply to the US Department of Education to receive funding, which will then be apportioned by population. States are required to use their allocation for two primary uses:

- 81.8 percent is to support elementary, secondary, and higher education within the state.
- 18.2 percent for public safety and government services. A specific use of this funding is to enable K-12 schools and institutions of higher education to repair, renovate, and modernize facilities.

How can this funding be used for bicycle and pedestrian projects?

In the language governing the 18.2 percent for public safety and government services, a specific reference is made to allow school improvements that meet green building standards. The US Green Building Council's LEED Rating System for green schools includes bicycle and pedestrian facilities and access to school grounds as a part of the ratings standards.

Safe Routes to School infrastructure projects fit the criteria for school modernization, although it is important to note that bicycle/pedestrian improvements are only one of the eligible expenditures among many competing demands, so there is no guarantee that states will use their funding for this purpose. Each state will determine how it will spend its funding.

As the State Fiscal Stabilization Fund is a new program, it is unclear at this time how exactly the funding will be allocated by each state's Governor. However, if you are interested in this funding source, we recommend that you take action at the local level in two possible ways:

1. Contact your principal, superintendent and school board to let them know about the needs at your school for bike racks and parking lot improvements to increase safety for children walking and bicycling, and encourage them to ask stimulus funding be used for these purposes.
2. Contact [your Governor](#) and state Department of Education to let them know about the needs at your school to improve bicycle and pedestrian facilities.

Is there a time limit on when this money must be spent?

States must award or commit funds within two years. Any funds not awarded or committed within that timeframe must be returned to the US Department of Education for reallocation to states who used all their available funds.

How do I find out more about what funding my state will get in this category?

The website www.recovery.gov allows individuals to track how stimulus dollars are being allocated. As soon as federal agencies start making awards and distributing funding, the website will be updated.

Energy Efficiency and Conservation Block Grants

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

The Energy Efficiency and Conservation Block Grant (EECBG) program was included in the Energy Independence and Security Act of 2007 to assist state and local governments in implementing energy efficiency and conservation strategies to reduce fossil fuel emissions, total energy use and improve energy efficiency in the transportation, building and other sectors.

How much funding for EECBG is available under the American Recovery and Reinvestment Act?

The Act includes \$2.8 billion that will be distributed by the U.S. Department of Energy under formula funding to States, larger cities and counties, and Tribal programs. Eligible cities and counties include cities with populations of 35,000 or more, counties with a population of 200,000 or more, and/or the ten largest cities and counties in each state, regardless of population. States are required to spend 60 percent of their funding in lower-population areas that do not receive funding directly.

An addition \$400 million is allocated to a U.S. Department of Energy Competitive Grant Program for cities and counties that are not eligible under the formula.

How is this funding eligible for bicycle and pedestrian uses?

The 2007 Energy Independence and Security Act lists eligible uses for this funding including the development or implementation of programs that conserve energy used in transportation, such as bike lanes/pathways, and pedestrian walkways. The US Conference of Mayors has developed a [helpful two-page fact sheet](#) on this program.

It is important to note that bicycle and pedestrian projects are only one eligible use among many competing demands, so there is no guarantee that states, counties and cities will use their funding for this purpose.

How do I find out more about what funding my state or locality may get for EECBG?

The US Department of Energy has posted preliminary information [on their website](#), including a toll-free number for more information. In addition, the website www.recovery.gov will allow individuals to track how stimulus dollars are being allocated. As soon as federal agencies start making awards and distributing funding, the website will be updated.

Community Development Block Grants

What are Community Development Block Grants? How much funding do they receive under the American Recovery and Reinvestment Act?

The Community Development Block Grant (CDBG) program, under the U.S. Department of Housing and Urban Development (HUD), is a flexible program that provides communities with resources to address a wide range of unique community development needs, specifically directed toward revitalizing neighborhoods, economic development, and providing improved community facilities and

services. Sidewalk improvements, bike lanes, paths and trails are all eligible under the guidelines. Under ARRA, CDBG receives \$1 billion dollars to be distributed to cities and urban counties.

Who is eligible and how is the money distributed?

The following cities are eligible:

- Principal cities of Metropolitan Statistical Areas (MSAs);
- Metropolitan cities with populations of at least 50,000; and
- Qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities) are entitled to receive annual grants.

The money is distributed through formulas and prioritizes funding based on the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.

What activities are eligible for CDBG?

CDBG funds may be used for activities which include, but are not limited to:

- acquisition of real property;
- relocation and demolition;
- rehabilitation of residential and non-residential structures;
- construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers, and the conversion of school buildings for eligible purposes;
- public services, within certain limits;
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit-motivated businesses to carry out economic development and job creation/retention activities.

Sidewalk improvements, bike lanes, paths and trails are all eligible under a few of these activities.

Where can I find out more information about CDBG?

You can learn more about the federal program, and whether your community is eligible at the [HUD website](#). To learn more about how your community plans to spend its CDBG funds contact your local officials directly.