

Since December 2008, ARC worked with federal, state and local agencies to develop an approach for implementing potential transportation projects under the American Recovery and Reinvestment Act. These efforts culminated with the identification of the final group of projects for ARRA funding in Summer 2010 and authorization of funds on those projects by September 30, 2010.

What is your area of interest? *(click on a choice)*

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General Information About ARRA



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Q. What are the basic facts I need to know?

The \$787 billion American Recovery and Reinvestment Act (ARRA) was signed by President Obama on February 17, 2009. Approximately \$48 billion was allocated for transportation, subdivided into five broad categories: 1) highway funds allocated by formula; 2) transit funds allocated by formula; 3) discretionary grants for any mode; 4) discretionary grants for Amtrak and high speed rail service; and 5) discretionary grants for aviation. Projects may be funded up to 100%, with no local or state match requirement.

For all the details on the law, visit www.recovery.gov.



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Q. How much money came to the Atlanta region?

About \$120 million was suballocated directly to the 18 county Metropolitan Planning Organization (MPO) area for programming. Another \$652 million could have been spent anywhere in the state at the discretion of GDOT. Approximately \$284 million will be contracted on projects within the Atlanta region, which is 44% of the statewide allocation.

On the transit side, the region's operators had access to about \$95 million to split among themselves.



Q. What will be the economic impact of ARRA to the Atlanta region?

According to the White House, the ARRA will create or save about 106,000 jobs in Georgia (all types of job, not just transportation related). Using the conventional wisdom that anywhere from one-half to two-thirds of all economic activity in the state occurs within the Atlanta region, it's reasonable to assume that somewhere between 53,000 and 71,000 of those jobs will be in the region.



Q. How can I track how the money is being spent?

GDOT is required to submit periodic detailed project status updates to USDOT for posting at the official ARRA site www.recovery.gov. The information is also posted on GDOT's website at www.dot.ga.gov/gastimulus.



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Project Eligibility and Funding Rules



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Q. What types of projects were eligible under the highway program?

Any project eligible under the Surface Transportation Program could be considered for ARRA funding. This included maintenance and capacity expansion for highways, transit, and bicycle and pedestrian facilities. For a complete list of eligible projects, consult [this section](#) of the U.S. Code.



Q. How quickly must the highway money be spent?

This is actually two questions.

Deciding that you're going to spend money on a project and getting all the paperwork in order is different from actually spending the money. The first step is to "obligate" the money, which is an approval step involving GDOT and USDOT (i.e., the paperwork). All of the funds awarded to Georgia had to be initially obligated by March 2, 2010, a deadline which was achieved. As project costs came in under budget, residual funds accrued throughout 2010. The last day to obligate those residual funds was September 30, 2010, another milestone met by the state.

The second step is to actually accept bids, award contracts and pay a business to do the work. All work funded under the ARRA must be completed no later than September 2015. While some projects are already complete, others will not begin construction until late 2010 or possibly even early 2011.



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Q. What types of projects were eligible under the transit program?

Only capital projects were initially deemed eligible for ARRA funding. A change to the law was made in the fall of 2009 which permitted up to 10% of ARRA funds to be used for operating expenses, an option which the transit operators in the Atlanta region exercised.

For a complete list of eligible projects, consult [this section](#) of the U.S. Code.



Q. How quickly must the transit money be spent?

As with highway funds, this is actually two questions, although with slightly different answers.

Transit operators had one year to identify specific projects and get them into grants that are approved by the Federal Transit Administration. This deadline was achieved well in advance of the March 2010 deadline. Funds for operating expenses have already been used in agency budgets, while some capital purchases are still pending.



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Q. Could funds be flexed between the highway and transit programs?

Yes. The process is the same as with traditional federal funding programs. In fact, the Atlanta region flexed \$25 million of funds to MARTA for preventive maintenance and another \$5 million for track safety improvements.



Q. Are there any federal directives related to using ARRA funds for sustainable or “green” projects?

Not specifically. The ARRA’s overriding purpose is job creation. Addressing major shifts in federal policy or priorities will fall under the auspices of the reauthorization of SAFETEA-LU, the multi-year federal transportation law.





Project Selection Process in the Atlanta Region



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Q. Who decided how the money is spent?

ARC, as the Metropolitan Planning Organization for an 18 county region, was directly suballocated about \$120 million of highway funds. Decisions on how those funds will be spent were made through our regular planning process involving our federal, state and local planning partners.

GDOT made final decisions on the \$652 million of highway funds for which it had discretion. ARC worked closely with GDOT to ensure that the priorities of the region were being considered in their selection process.

Through a committee of transit operators facilitated by ARC, a consensus decision using a formula based methodology determined how the \$95 million of transit money was divided. Each individual operator made decisions on how their suballocations will be used. This information will be posted to ARC's ARRA website when available this summer.



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Q. What types of projects received priority for ARRA funds?

ARC staff recommended to our technical and policy committees that first priority for the use of ARRA funds should be to keep existing Transportation Improvement Program (TIP) projects on schedule. Since the TIP represents a formal definition of the region's priorities, no new projects should be added until existing commitments are fulfilled. While no official policy was adopted by ARC, this approach met with general consensus and has guided our overall process.

A direct distribution to counties of \$27.1 million of the \$120 suballocated to the MPO was made in June 2009, with the methodology employed giving major consideration to the level of economic distress being experienced by each county. Jurisdictions were given discretion to use funds as they see fit, but ARC staff still encouraged that first consideration be given to existing TIP projects. Where no projects could be identified that satisfied the ARRA definition of "shovel ready", other projects were nominated by the counties.



Q. Did the priorities of the state and the region align?

The GDOT Board approved goals related to the level of funding by project type at its meeting on February 26, 2009. Emphasis was placed on maintenance, bridge and safety projects, a focus which ARC supported. Refer to the [GDOT website](#) for more information on statewide priorities.

ARC did not establish funding goals by project type at the regional level, opting to focus instead on preserving the existing TIP commitments, regardless of project type.

ARC does not believe these approaches were incompatible, but were merely two different approaches to the same question.



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Q. How were local priorities considered?

Both GDOT and ARC compiled a “pool” of local project requests. GDOT district staff spent considerable time reviewing that information and comparing it to the agency’s work program. A project which met all eligibility requirements, was also a priority at the state level, and helped achieve desired funding levels established by the Board received careful consideration for funding.

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Q. Were funds equitably distributed?

ARC tried to ensure a reasonable distribution of projects around the region. However, since the ARRA has rigid deadlines, emphasis in Phase 1 funding decisions was placed on project “readiness”, regardless of location. Since the overriding purpose of the ARRA is job creation, a major project that has the potential to draw workers from a large geographic area rendered jurisdictional boundaries and the physical “footprint” of the project much less relevant.

Discussions of equity placed priority on “economically distressed” areas, per federal guidance. This meant that jurisdictions with higher than average unemployment rates and lower than average incomes should receive priority consideration in any allocation methodology. To meet federal guidelines, equity cannot be defined strictly in terms of traditional measures such as total population or annual population growth rates. These equity consideration assumed a more central place in the decisionmaking process for Phase 2 funding. A distribution scenario employed by ARC to award the final \$27.1 million of MPO suballocated funds included several “economic distress” variables.



Q. Did everybody get an ARRA project?

No, unfortunately. ARC believes that the final list of ARRA projects does represent geographic diversity to the greatest extent practical.

It is important to recognize that the ARRA funds available under the highway program represented only about a year's worth of traditional funding. While significant, there was an unrealistic level of expectation about how many projects could be funded with this money. Apportioning funds in a way that ensured every community, city and county received a "fair share" would have resulted in awards that were incapable of covering the cost of any but the smallest of projects. It simply was not possible for every jurisdiction or potential sponsor to be awarded ARRA funding.



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Q. What happened to existing federal funds that were “freed up” when a project was shifted to ARRA funds?

Many projects selected for ARRA funding were in danger of being delayed due to a lack of funding from traditional federal sources. For a variety of reasons which have been well documented over the past couple of years, the money did not exist to fulfill all the project commitments in the TIP. So when a project was shifted over to ARRA funds, it did not result in a windfall that a local sponsor could then divert to another project. It did, however, possibly free up a match amount which the sponsor should use for other transportation needs in their jurisdiction to meet federal “maintenance of effort” requirements.



Q. How did the congressional balancing requirement affect decisions?

On March 19, the GDOT Board voted to officially exempt ARRA funds from congressional balancing, although staff were still directed to consider statewide equity in making funding allocation recommendations.

Guidance issued by the federal government for the ARRA clearly indicated that emphasis must be placed on “readiness” and projects located in “economically distressed” areas. Adhering to congressional balancing would have created significant conflicts in fulfilling these directives.

It’s also important to remember that the state’s congressional balancing requirement applies to all federal funds over a period of five years, not to a single source of funds spent in a given year.



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Q. How did the recent state strategic plan (IT3) affect decisions?

The GDOT Board placed priority on maintenance, bridge and safety projects for ARRA funding. A second priority was to fund projects which “move the needle” on congestion and move the state in a direction compatible with the strategic plan.

ARC supports this general philosophy, but does not believe that the limited amount of funding available through ARRA will achieve a meaningful difference in congestion levels.



Q. What exactly was ARC's role in spending money?

ARC is the Metropolitan Planning Organization for an 18-county region. In this capacity, ARC prepares the Transportation Improvement Program through a collaborative process involving federal, state and local agencies. Any transportation project using federal funds must be included in the TIP. So, in effect, ARC serves as the "gatekeeper" and no ARRA funded project in the region can advance without being reflected in the TIP first.



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Atlanta Region ARRA Projects



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Q. What received ARRA funding?

Refer to the tables provided on ARC's [ARRA Transportation Website](#) for lists of all projects selected for ARRA funding.



Q. What does it mean to have a project “certified”?

Under Section 1511 of the ARRA, each project receiving ARRA funds must be certified by the Governor, mayors or other chief executive officers of the recipient government agency. This is essentially a statement that the project meets all eligibility requirements and has been fully vetted through the planning process. These [certification statements](#) are posted on USDOT's website.



Q. When will I actually see ARRA projects being built?

Several ARRA projects are now underway around the region. The level of activity will continue to increase throughout 2010 and into 2011 as more projects make their way through the letting and contracting process.



Ask ARC a Question



Didn't find what you were looking for? Then just click the button to the left (or contact us directly at transportation@atlantaregional.com) to submit your question to ARC staff. We'll respond promptly. And if it's something we think others may benefit from, we'll add it to this FAQ file.

Thanks for your interest in the regional transportation planning process!



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