Federal Economic Recovery:

Delivering Federally Funded Transportation Projects in Maryland

One Maryland

H.R. 1 & S. 336, "The American Recovery and Reinvestment Act"

- H.R. 1, as passed, proposes **$46.1 billion** in total transportation funding, including $39.5 B in formula funding.
- S. 336 proposes **$45.5 billion*** in total transportation funding, including $35.5 B in formula funding.
- No state match required.
- "Ready-to-Go" projects meet federal requirements:
  - Must be Federal-aid eligible under current laws
  - Have completed all pre-construction steps (Planning, Design, Right-of-Way, Public Input, Environmental Permits) with disadvantaged business enterprise goals, firm scopes and cost estimates.
  - Must be in required federal capital programs and, in some cases, approved by metropolitan planning organizations.

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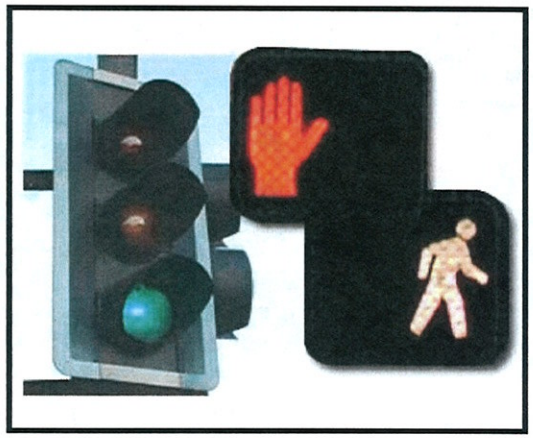
- "Use It or Lose It"
  - At least half the state's discretionary formula funds for highway and transit projects must be obligated within 90 days (H.R. 1) or 180 days (S. 336).
    - Remaining highway funds available until August 1, 2010 (H.R. 1) or 1 year from enactment (S. 336).
    - Remaining transit funds available until 2 years (H.R. 1) or 1 year (S. 336) from enactment.
  - Unobligated funds will be given to other states.
- No specific earmark requests.

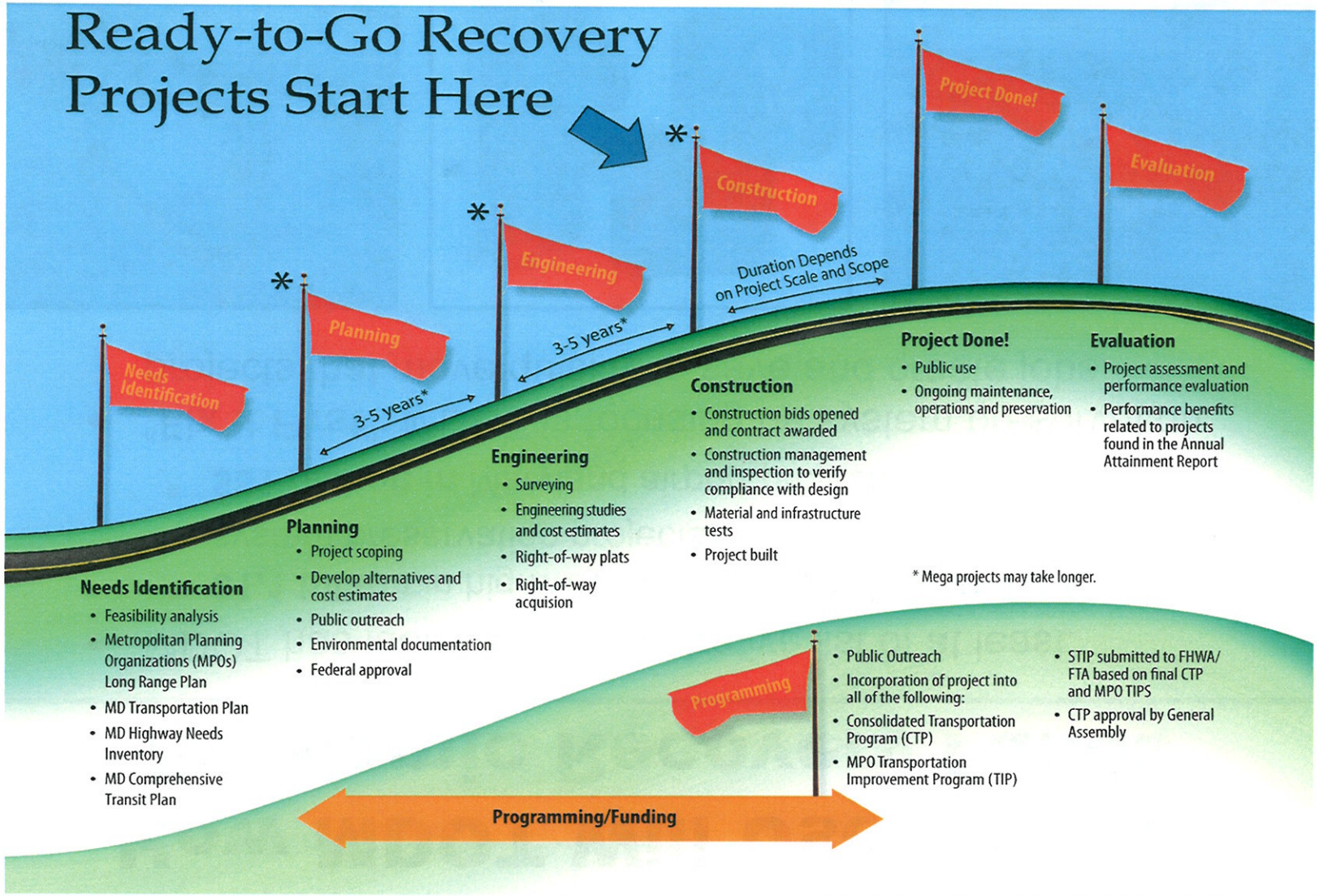
* as of 1/29/09

How MDOT Will Use Federal Economic Recovery Funds

- MDOT has identified an illustrative list of at least:
  - **$1.1 billion** in highway and bridges [$650] and transit [$450] system preservation projects; and
  - **$81 million in** Maryland airport projects.
- "**Fix It First**": MDOT is focusing on system preservation projects that move quickly to save and create jobs.



The Steps to Getting Major Projects Developed



Impact of Economic Recovery on Jobs

- To be effective in Maryland, the bill must move quickly to *preserve* & *create* jobs and provide *long-term* economic benefits.
- Maryland unemployment rate: 5.8% in Dec. 2008
  - *Highest level since 1993*

MD Transportation Industries	Average MD Employment in 2007	Total MD Wages
Heavy/Civil Engineering/Specialty Construction	144,085	$7.0 billion
Transportation Service Providers	32,172	$1.8 billion
Transportation Equipment Manufacturing	8,283	$528.9 million

- H.R. 1's $46.1 billion and S. 336's $45.5 billion investment in transportation infrastructure will create and preserve nearly 1.3 million jobs nationwide (based on FHWA formula).
  - $661 million to $708 million for Maryland's transportation system will result in approximately 18,000 to 20,000 jobs.

Formula Distribution Estimates

	Bill	Recovery Formula Funds	Distribution to Maryland	Maryland's Share
Highways	S. 336, "American Recovery and Reinvestment Act" (2009)	$ 27.1 billion	$ 420 million	1.6%
	H.R. 1, "American Recovery and Reinvestment Act" (2009)	$ 30.0 billion	$ 480 million	
Transit	S. 336	$ 8.4 billion	$ 241 million	2.9%
	H.R. 1	$ 9.5 billion	$ 228 million	2.4%
TOTAL	S. 336	$ 35.5 billion	$ 661 million	1.9%
	H.R. 1	$ 39.5 billion	$ 708 million	1.8%

Criteria for Maryland's Transportation Project List

1. Important Federal Requirements:
   - Speedy delivery
   - Preserve and create jobs
   - Federal-aid eligible under current laws
   - Formula distribution
2. Maryland Focus
   - A diverse mix of System Preservation and Maintenance projects:
     - HIGHWAYS - a larger share for bridges and paving, but also safety, ADA, drainage, environmental, traffic, and intersection capacity improvement projects;
     - TRANSIT - upgrading transit infrastructure, and bus facilities in particular, to reduce long-term maintenance costs, and to increase energy efficiency.
   - Distributing federal funds equitably for the benefit of all Maryland.

One Maryland

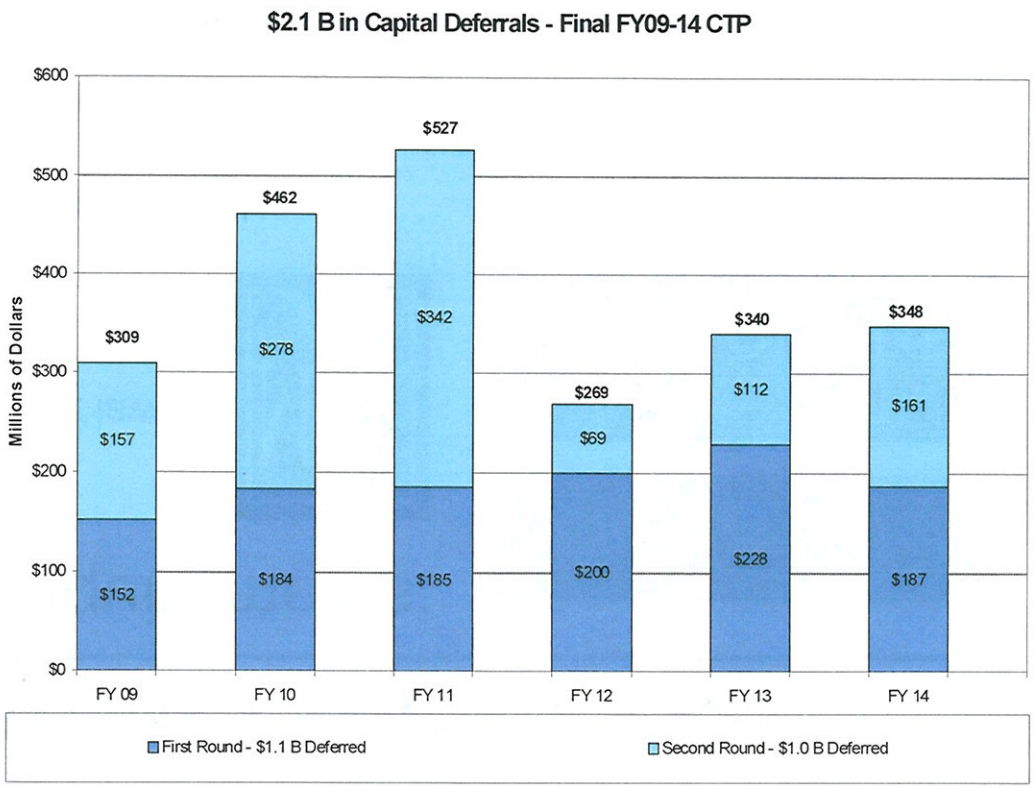
Maryland Association of COUNTIES

Washington Council of Governments

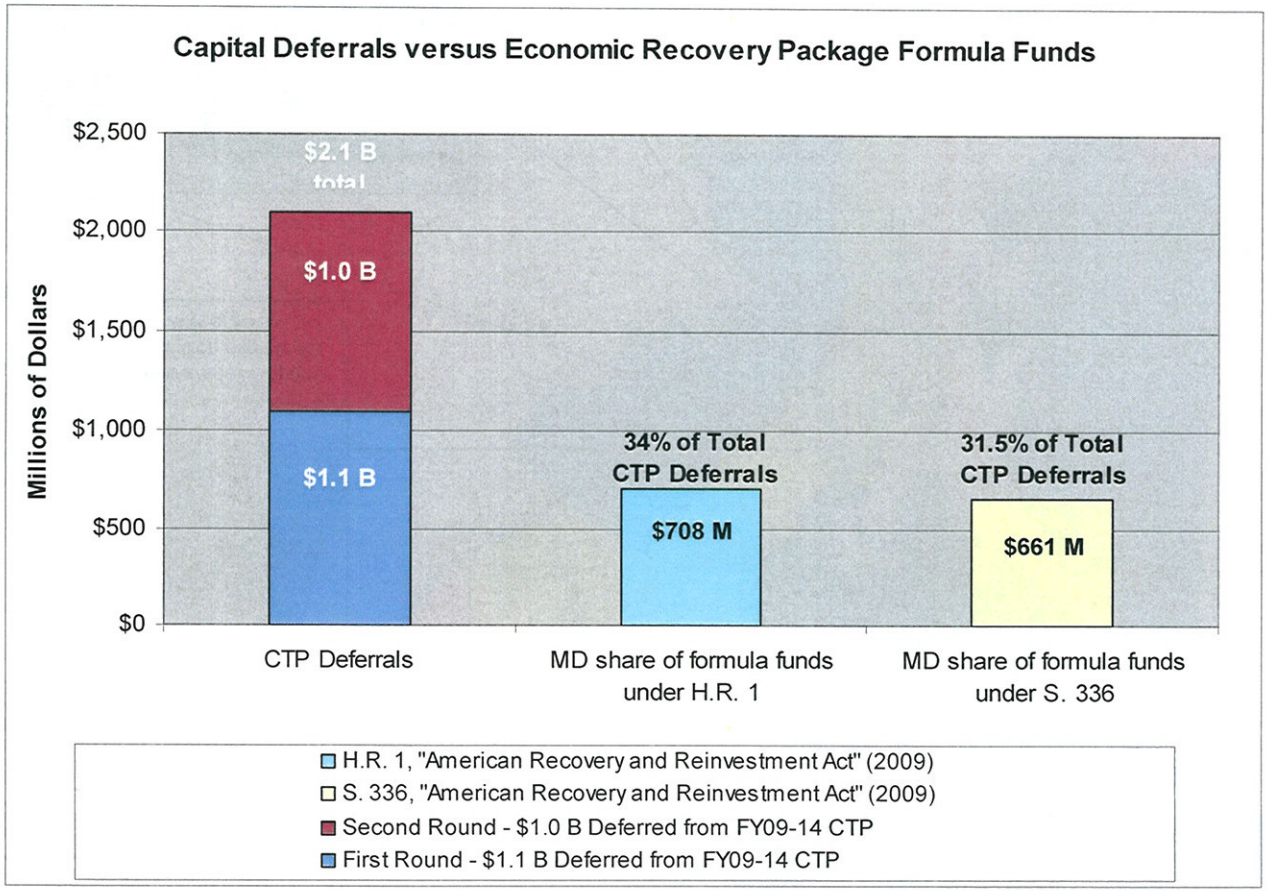
Baltimore Metropolitan Council

Economic Downturn's Impact on Maryland's Capital Budget for Transportation

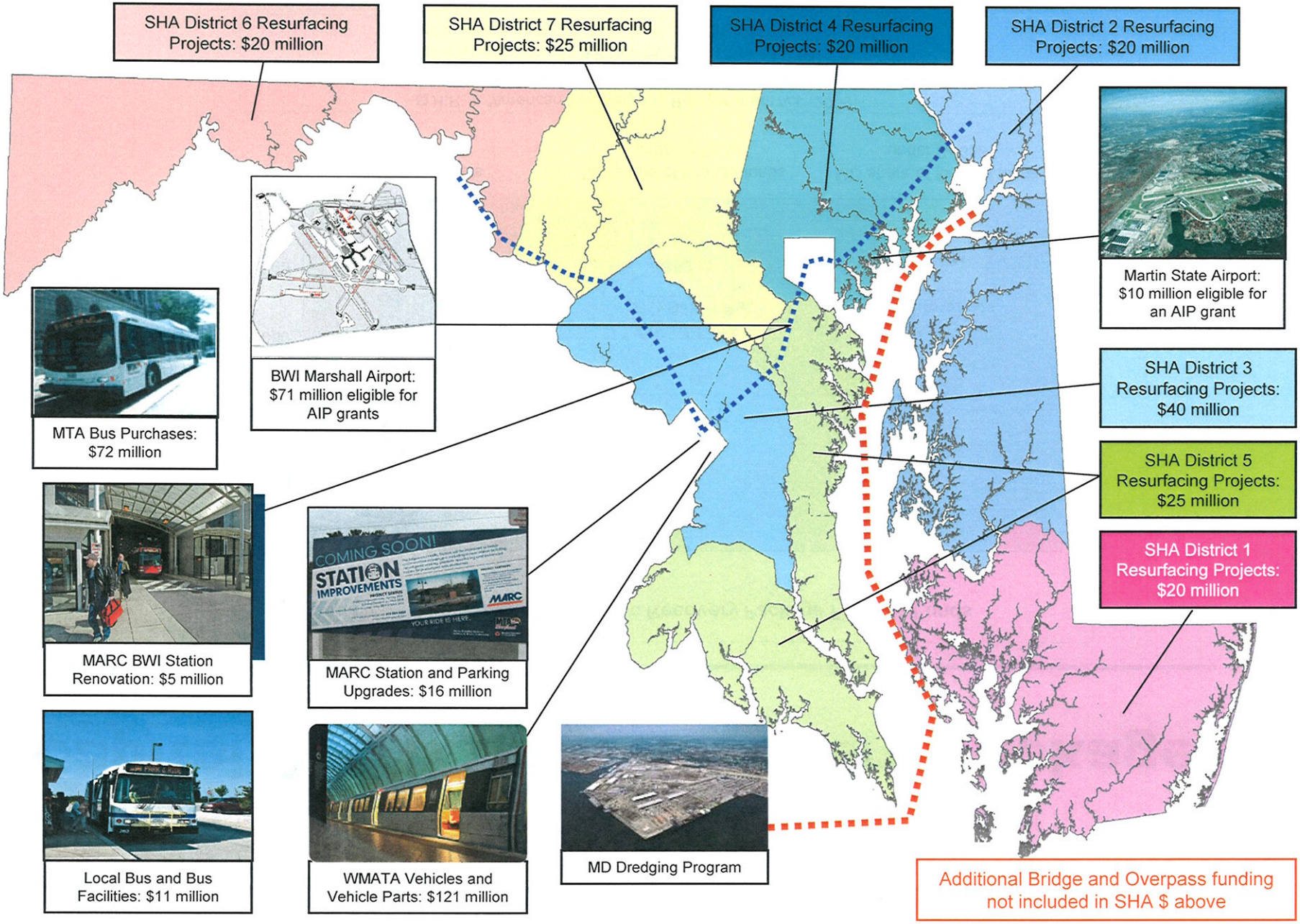
- MDOT has deferred $2.1 billion in state funds from the FY 2009-2014 capital program in response to the national economic climate.
- These deferrals:
  - Impact priority projects in all areas of the State;
  - Affect high-priority system preservation projects.



Capital Deferrals v. Recovery Packages



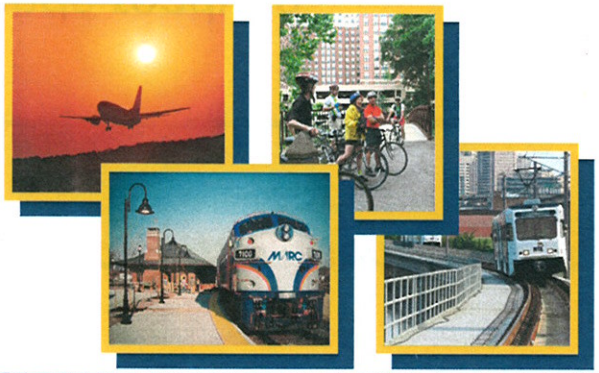
Ready-to-Go Transportation Project Examples



Maryland Department of Transportation

- MDOT stands ready to make effective use of federal funding, including redistributed funds other states do not obligate in a timely manner.
- We will keep our promise to preserve and create jobs by protecting our transportation system for Maryland families today and for years to come.

AAA Foundation for Traffic Safety

NEXT STEPS

1. SHA and MTA to complete project lists and identify MPO actions.
2. Request MPO actions at February Board meetings.
3. Work with locals to identify high priority federal aid eligible projects.
4. Determine eligibility for discretionary grants and have appropriate agency apply for funds.