The States and the Stimulus

Are they using it to create jobs and 21st century transportation?
Acknowledgments

The review of Section 1511 certifications that are at the heart of this report was performed by a team from Charlier Associates, Inc. led by Terri Musser, and by Mark Stout. Numerous SGA state partners assisted.

Allen Rosenfield at M+R Strategic Services made substantial and crucial contributions.

Helpful review was provided by members of the transportation research group convened by the Brookings Institution, including Rob Puentes, Phineas Baxandall, David Burwell, and Joshua Schank.

Any errors and all interpretations are the responsibility of Smart Growth America. Please direct questions about this report to William Schroer, State Policy Director, Smart Growth America: wschroer@smartgrowthamerica.org, (612) 928-0788.

Smart Growth America

This report is a product of Smart Growth America (SGA), a coalition of national, state and local organizations working to improve the ways we plan and build our towns, cities, and metropolitan areas.

As part of that mission, SGA and our partners have been working with states and cities to help shape how they spend their stimulus funds. In March 2009, SGA issued Spending the Stimulus, a report describing the wide range of projects for which the bulk of the states’ ARRA transportation spending could be used.
Contents

1 Executive Summary 1

1.1 120 days of the stimulus: time to ask “how is the money being spent?” 1
1.2 Transportation funding in the ARRA must be evaluated in terms of its multiple goals 1
1.3 States could use the stimulus to make progress on urgent needs 2
1.4 States’ choices will have major impacts on the recovery and our transportation future 2
1.5 Major findings 2

2 Introduction: Accountability, Jobs, and Our Transportation Future 5

2.1 Transportation, the Recovery Act, and the 120-day milestone 5
2.2 The purpose of the report 5
2.3 Evaluating State and MPO Spending 6

3 The ARRA: An opportunity for recipients to create jobs and invest in a 21st century transportation system 7

3.1 Recovery Act funding for transportation 7
   Rules and Timeline 7
   Goals 7
3.2 The ARRA gives states and regions the flexibility to fulfill these goals 9
3.3 States and MPOs have the opportunity to fund economically valuable projects 9
3.4 States and MPOs have the opportunity to fund projects that meet multiple challenges 11

4 The state of states’ transportation systems: the need 13

4.1 Dangerous bridges 13
4.2 Crumbling Roads 13
4.3 Unmet public transportation needs 14
4.4 Unmet needs for capacity of all kinds 14

5 Are states and regions using stimulus money to create jobs quickly, maximize economic returns, and make progress toward a 21st century transportation system? 19

5.1 Determining what projects are being funded 19
   Methodology 20
   Challenges in understanding states’ reporting 21
5.2 Where states are spending ARRA’s flexible transportation money 22
   Nationally 22
   Table 4: State rankings 28

6 Public accountability and transparency in the Recovery Act 31

7 Is the process transparent and accountable? 33

7.1 Across the country, a mixed record 33
7.2 At the national level 34

8 Appendix 1: How ARRA Surface Transportation Program funds are distributed 36

9 Appendix 2: Apportionments to states 37
1 Executive Summary

1.1 120 days of the stimulus: time to ask “how is the money being spent?”

June 29th marks the 120-day deadline for states to commit at least 50% of American Recovery and Reinvestment Act’s (ARRA) $26.6 billion in transportation funds. It is a good time to examine how states are using the money. This report reviews project choices to answer critical questions about states’ accountability to the taxpayers who are providing tens of billions of dollars for new transportation projects. These questions include:

- Are states and urban areas investing stimulus funds in projects that will generate the most jobs and create transportation for the 21st century?

- Are states and urban areas making progress on the objectives for the ARRA funds?

- Are choices in spending ARRA funds transparent and accountable? Was the public well informed about how those spending decisions were being made and given an early opportunity to have a say in how the money would be spent?

To set the stage for answers to these questions, the report:

- describes the purposes of the law;
- describes the wide range of investments available to the states and urban areas;
- documents the expected outcomes of the legislation as articulated by the President and Secretary of Transportation; and

- compares the economic benefits of building roads, building public transportation, and repairing roads and bridges.

The report also reviews states’ transportation infrastructure needs: what needs did the states have that stimulus money could help solve? The report then compares the spending choices to the stimulus goals and state needs.

Our conclusions are based on the commitments for Surface Transportation Program (STP) funds posted to the US Department of Transportation’s ARRA Section 1511 Web page.

1.2 Transportation funding in the ARRA must be evaluated in terms of its multiple goals

The ARRA and federal officials identify nine goals for ARRA transportation funding:

1. create and save jobs
2. fix our crumbling infrastructure
3. modernize the transportation system
4. promote long-term economic growth
5. improve public transportation
6. reduce energy dependence
7. cut greenhouse gas emissions
8. not contribute to additional sprawl
9. reduce commute times and congestion

The ARRA funding arrives not only during a recession, but also at a time of embarrassingly large backlogs of road and bridge repairs, inadequate and underfunded public transportation systems, and too-few convenient, affordable transportation options.
1.3 States could use the stimulus to make progress on urgent needs

The ARRA gave states and urban areas $26.6 billion in flexible transportation funds that could be spent on a variety of non-roadway and roadway-related needs, including: road and bridge repairs; public transportation expansion; bicycle lanes; traffic signals; pedestrian routes; and new highway capacity. Those needs include:

- 18,722 U.S. bridges on state and Interstate systems are rated “structurally deficient” by U.S. DOT, and are “unsafe” according to the American Society of Civil Engineers.

- One-third of the nation’s major roads are in poor or mediocre condition; more than one-quarter of major urban roads are in poor condition; every year, rough roads cost drivers up to $740; and every $1 spent maintaining a road saves spending $6-$14 to rebuild one that has deteriorated.

- The backlog of bridge repairs is deep across all regions of the country.

1.4 States’ choices will have major impacts on the recovery and our transportation future

The choices that states and urban areas make matter. Different projects have different impacts.

- In general, public transportation and road and bridge repairs produce 31% and 16% more jobs respectively than construction of new roads and bridges;

- On average, repair and maintenance projects spend money and create jobs faster than projects that add new capacity.

- Smaller projects, such as bridge painting, are generally quicker to start than large new projects and are also generally more labor intensive.

- Economic rates of return for new-capacity road projects have been dropping for several years.

1.5 Major findings

1. States failed to make as much progress as possible on pressing transportation needs

Given the opportunity to use ARRA funds to make progress and invest in projects that would produce the highest returns, states and regions made a wide range of choices—some good and some poor.

Good:

In 11 states, 100% of the money going to roads is going to road repair. A total of 17 states are spending 90% or more on repair.

Seven states are spending more than 10% of funds to make progress on expanding choices: on public transportation, walking, and biking.

Of those, outstanding states that are doing both:

<table>
<thead>
<tr>
<th>State</th>
<th>Of the $ they spend on roads, % to repair</th>
<th>% to public transportation and bike/ped</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Columbia</td>
<td>100%</td>
<td>41.5%</td>
</tr>
<tr>
<td>Delaware</td>
<td>100%</td>
<td>27.9%</td>
</tr>
<tr>
<td>Iowa</td>
<td>93%</td>
<td>16.5%</td>
</tr>
</tbody>
</table>
Poor:

38.3% of Kentucky’s lane miles are in “Poor” condition, and 573 of its bridges are “structurally deficient.” Yet given $421 million in flexible funds, Kentucky will spend 88% on new roads, rather than fixing the deteriorating system it has. And if the state can’t afford to maintain what it has, how does it plan to maintain the new roads?

Other states spending less than half of road money on repair:

<table>
<thead>
<tr>
<th>State</th>
<th>% of $ on repair</th>
<th>% of roads not in “good” condition</th>
<th>Number of structurally deficient bridges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio</td>
<td>48%</td>
<td>41%</td>
<td>578</td>
</tr>
<tr>
<td>Florida</td>
<td>23%</td>
<td>24%</td>
<td>60</td>
</tr>
<tr>
<td>Arkansas</td>
<td>15%</td>
<td>62%</td>
<td>285</td>
</tr>
<tr>
<td>Kansas</td>
<td>14%</td>
<td>25%</td>
<td>71</td>
</tr>
</tbody>
</table>

Nationally:

- Despite a multi-trillion dollar backlog of road and bridge repairs, states committed almost a third of the ARRA STP money – $6.6 billion – to new capacity road and bridge projects rather than to repair and other preservation projects. As the nation grows some places will need additional road capacity. However, given the enormous repair backlog, its costs and threats to human safety, and lower job-creation rates, much of the new road construction does not fulfill ARRA goals.

- Most states did not use ARRA funding to fill the giant backlog in public transportation investment. Given the growing demand for, the need for upgrading, and the many benefits of public transportation, the $185 million allocated so far is grossly inadequate. Even when ARRA’s dedicated funding for public transportation is taken into consideration (a separate $8.4 billion), the total commitment to public transportation falls far short of the need.

2. By focusing STP funds on roads rather than a balanced set of investments, most states met only 2 of 9 ARRA objectives

- Although many states helped close the repair gap and created jobs by emphasizing road preservation, they could have created more jobs, faster, and made more progress on the repair backlog by spending more on repairing the public’s previous investments in the transportation system.

- By allocating few funds (3.7%) to public and non-motorized transportation, states made less progress on modernization, rapid job creation, enhancing public transportation, long-term economic growth, reducing greenhouse gases, oil dependency, and providing low cost transportation choices.

3. Transparency of decisions is lacking, and accountability for results is weak

- Reporting project choices after decisions have been made provides only minimal transparency. Most states failed to educate, engage, and seek input from the public before making decisions. In most cases, it would be almost impossible for the average citizen to find out and then to understand what his or her tax dollars are buying.

- There is not a clear articulation of what project portfolios should accomplish, no
methods identified for evaluating projects against these goals or against one another, and few repercussions for achieving or failing to achieve these goals.
2 Introduction: Accountability, Jobs, and Our Transportation Future

2.1 Transportation, the Recovery Act, and the 120-day milestone

Through the American Recovery and Reinvestment Act (ARRA), Congress provided states and urban areas (officially, Metropolitan Planning Organizations: MPOs)\(^1\) with a large, one-time-only surge in federal funding for transportation projects – above the annual federal funding. Of the nearly $50 billion provided for transportation, $26.6 billion was delivered through the Surface Transportation Program (STP). Under this program, states and MPOs have substantial flexibility in deciding how to spend most of the federal stimulus funding for transportation.

Are they making the best use of this money?

\[\text{“We will create millions of jobs by making the single largest new investment in our national infrastructure since the creation of the federal highway system in the 1950s... We won’t just throw money at the problem. We’ll measure progress by the reforms we make and the results we achieve.”}\]

President-Elect Obama on his goals for federal stimulus legislation in a December 6th, 2008 radio address to the nation

2.2 The purpose of the report

The ARRA requires states to commit at least the first fifty percent of their funding to transportation projects by June 29th. The remainder must be committed within a year—by March 1, 2010. MPOs have the full year to commit all of their portion. This report looks at the decisions made by both states and MPOs.

The June 29 deadline for states to commit 50% of their ARRA STP funds is a good time to check on progress and examine how flexible STP ARRA funds are being spent, specifically:

1. What are they buying with the money? What is the likely impact of these investments? What could states and MPOs be buying instead?

\(^1\) A metropolitan planning organization (MPO) is a policy-making organization for urban areas made up of representatives from local governments and transportation agencies. Among other functions, MPOs are the congressionally mandated recipients, via state departments of transportation, of 30% of federal STP funds. As of 2005, there are 385 MPOs. [http://en.wikipedia.org/wiki/Metropolitan_planning_organization](http://en.wikipedia.org/wiki/Metropolitan_planning_organization).
2. How did they decide? Are state and MPO spending choices transparent and accountable, as intended in the ARRA?

These questions have particular resonance now for two reasons. First, many states and MPOs have not yet committed all of their flexible ARRA transportation funds and still have time to learn from others. Second, because the stimulus had to proceed quickly, it is channeled through existing federal programs and guidelines for funding transportation projects. As a result, extra emphasis was placed on “shovel-ready” projects—those already in the pipeline or those quickly made ready. Thus, the projects funded are likely representative or typical of the types of projects/investments normally produced by the current federal transportation program. As such, this examination also provides insights relevant for the next transportation bill (the current program expires in September of this year).

The ARRA funding arrives not only during a recession, but also at a time of embarrassingly large backlogs of road and bridge repairs, inadequate and underfunded public transportation systems, and too-few convenient, affordable transportation options.

2.3 Evaluating State and MPO Spending

To answer the first of this report’s questions—are the states and MPOs making the best use of flexible transportation money?—requires that we know the goals these investments are meant to achieve. Accordingly, Chapter 3 gives an overview of the ARRA stimulus goals, breadth of investment opportunities, and the Act’s constraints.

Chapter 4 provides the context for each state’s and MPO’s decisions by providing a data-rich view of the current state of transportation networks.

Chapter 5 examines how much flexible ARRA money states and MPOs are choosing to invest in roads, bridges, highways, public transportation, and non-motorized transportation infrastructure, such as bicycle and pedestrian routes. These investments are then evaluated against the goals of the investments as identified in Chapter 3.

The sixth and seventh chapters shine a light on state and MPO decision-making; is the decision-making process such that an informed public can understand and participate in selecting projects before decisions are made?
3 The ARRA: An opportunity for recipients to create jobs and invest in a 21st century transportation system

3.1 Recovery Act funding for transportation

Rules and Timeline

President Obama signed the American Recovery and Reinvestment Act into law on February 17th, 2009.

On March 2nd, the Administration notified each state of the amounts of stimulus funding that would be provided for spending on transportation projects.\(^2\) $26.6 billion was delivered through the Surface Transportation Program (STP). Of that, states must “sub-allocate” 30% to Metropolitan Planning Organizations. (See Appendix 1 for a useful chart of the money flow.) The legislation imposes a “use it or lose it” requirement: states have 120 days from March 2nd (June 29) to commit to specific transportation projects at least 50% of the transportation funding they received through the Surface Transportation Program. States have one year, until March 1, 2010, to commit their entire allocation of STP funding under ARRA. (See Appendix 2 for a table containing the state-by-state ARRA transportation funding levels that were announced on March 2nd). These deadlines have pushed states towards projects that are “shovel-ready,” meaning they have all permits and reviews completed, or that the projects can be initiated without going through lengthy permitting processes.

Goals

The ARRA gives its purposes as, among other things,

to preserve and create jobs and promote economic recovery; and to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.

Since the legislation began moving through Congress, both the President and U.S. Secretary of Transportation Ray LaHood have underlined these goals, making strong statements about the importance of using the Recovery Act funds not only to create jobs, but also to help address the nation’s critical, long-term infrastructure challenges. A sample of these highlights their goals.

On February 17th, in a statement marking the signing of the ARRA, Secretary LaHood emphasized,

“We will use the transportation funding in the Act to deliver jobs and restore our nation’s economy. We will emphasize sustainable investment and focus our

policies on the people, businesses and communities who use the transportation systems. And, we will focus on the quality of our environment. We will build and restore our transportation foundations until the American dream is returned.”

At a March 12th session of the U.S. Senate Banking, Housing and Urban Development Committee, Secretary LaHood added,

“To me, it is clear that our transportation system and the development it enables must be sustainable. Climate change must be acknowledged as a reality. Funding for public transportation must increase to help out here. Sustainability must permeate all we do, from highways and transit to aviation and ports.”

On April 16th, in discussing the Recovery Act and the nation’s transportation needs, President Obama stated,

“But if we want to move from recovery to prosperity, then we have to do a little bit more. We also have to build a new foundation for our future growth. Today, our aging system of highways and byways, air routes and rail lines is hindering that growth. Our highways are clogged with traffic, costing us $80 billion a year in lost productivity and wasted fuel. Our airports are choked with increased loads.... We’re at the mercy of fluctuating gas prices all too often; we pump too many greenhouse gases into the air. What we need, then, is a smart transportation system equal to the needs of the 21st century.”

Finally, the legislation requires recipients to give priority to projects that are in

The most important word in “American Recovery and Reinvestment Act” is “and”. The “Recovery” emphasizes the need for immediate action, and the “Reinvestment” emphasizes that the immediate action must have long-term benefits.

“economically distressed areas,” for reasons of both equity and effective recovery.

In sum, the most important word in “American Recovery and Reinvestment Act” is “and”. The “Recovery” emphasizes the need for immediate action, and the “Reinvestment” emphasizes that the immediate action must have long-term benefits. Taken together then, the legislation, the President, and the Transportation Secretary’s statements establish a set of outcome performance standards for states and regions as the states and regions spend $26.6 billion.

Immediately:

1. create and save jobs;

Immediately and long-term:

2. fix our crumbling infrastructure;
3. provide a balanced transportation system;
4. improve public transportation;
5. reduce the nation’s energy dependence;
6. promote long-term economic growth;
7. reduce greenhouse gas emissions;
8. not contribute to additional sprawl; and
9. reduce commute times and congestion.
Taken together, the legislation, the President, and the Transportation Secretary also set \textit{process performance standards}: these nine goals are to be pursued through a process that is

1. Equitable
2. Accountable
3. Transparent

\subsection{3.2 The ARRA gives states and regions the flexibility to fulfill these goals}

The ARRA sent the majority of its transportation funding through the Surface Transportation Program (STP), which gives wide latitude in what kinds of transportation projects states and regions may fund. Although the STP is sometimes referred to as “the Highway Program,” that label is a misnomer. Under federal rules, recipients can use STP funding on a wide variety of roadway and non-roadway projects, including:

- fixing deteriorating roads, highways and bridges;
- repairing public transportation infrastructure;
- investing in greater public transportation capacity;
- expanding bicycle and pedestrian routes;
- making safety improvements; and/or
- building new roadways.\footnote{For a cataloging and description of “flexible” transportation spending opportunities under the STP, see Smart Growth America, \textit{Spending the Stimulus}, May 2009. \url{http://stimulus.smartgrowthamerica.org/20ways}.}

\subsection{3.3 States and MPOs have the opportunity to fund economically valuable projects}

Not all types of projects eligible for STP funding are of equal value to taxpayers. While even during a recession we do not necessarily invest in transportation solely for maximum economic return, as we saw, the ARRA is unmistakably about producing short- and long-run economic returns. Which projects tend to produce the best returns?

The University of Utah’s Metropolitan Research Center reviewed the current state of research and reported six findings relevant to choosing stimulus projects.\footnote{Arthur C. Nelson et al., \textit{The Best Stimulus for the Money: Briefing Papers on the Economics of Transportation Spending}, University of Utah’s Metropolitan Research Center and Smart Growth America, April 2009. \url{http://stimulus.smartgrowthamerica.org/484}.} While these rules will not necessarily hold for all individual projects, a wide variety of literature finds that:

1. \textit{Public transportation and road and bridge repairs produce more jobs}. Public transportation investments generate 31 percent more jobs than new construction of roads and bridges, and repair work on roads and bridges generates 16 percent more jobs than new bridge and road construction.

2. \textit{Repair and maintenance projects spend money faster and create jobs more quickly} than do projects that add capacity. Repair and maintenance projects are open to more kinds of workers, spend less money on equipment and more on wages, and
spend less time on plans and permits. New capacity projects also require more funding for right-of-way (property) acquisition, which has little or no stimulative or reinvestment value.

3. Economic returns on roads are falling. Roadway spending had high rates of economic return in the 1950s and 1960s when that spending created our national highway network, but subsequent investments have steeply declining rates of return. Investments in public transportation now have generally high and less steeply declining rates of return.5

4. Returns can vary by a factor of 100. The best transportation investments in metropolitan areas improve multi-modal accessibility to regional cores. Economic returns from these investments exceed returns from other investments by a multiple of more than 100.

5. Fixing existing transportation infrastructure maintenance backlogs produces a higher return on investment than new construction because it:

- prevents the need for reconstruction later, which costs 2-14 times as much as repair;
- saves users money by reducing damage from potholes and vibrations; and
- produces more jobs and more economic activity than building new roads.

6. Investing in areas with high job needs improves employment faster than investing elsewhere. Putting or keeping transit in communities with high unemployment produces up to 2.5 times more jobs than putting transit in communities with low unemployment. The last ten years of transportation research has found high rates of return from two other classes of investment:

7. Coordinating transportation with land use produces higher returns for each. Building destinations closer to each other reduces the burden on the transportation system. Housing closer to daily needs is in higher demand, and has held its value better during the current downturn. Departments of Transportation can strengthen that coordination by supporting public participation in planning, by prioritizing funding where transportation and land use are coordinated, and by investing in complete streets that add value to adjacent neighborhoods.

8. Getting more out of the existing system produces higher returns than adding capacity to it. Studies around the country find that it is far cheaper to meet demand by supporting employer-based transportation demand management, for

5 Transportation Secretary Ray LaHood gives this example: “In one study done in San Antonio, each 1% of regional travel shifted from auto-mobile to public transit increased regional income about $2.9 million, resulting in 226 additional regional jobs. Other economic benefits include increased productivity, employment, business activity, investment and redevelopment.” http://fastlane.dot.gov/2009/06/public-transportation-delivers-public-benefits.html, June 02, 2009.
example, than by adding lanes. Similarly, better managing the demand on the existing lanes, whether through transit, Intelligent Transportation Systems, and/or pricing, has been proven across the country to help get more out of the system we have at lower cost.

These results give a clear picture of what kinds of projects are likely to do most to fulfill the goals of the ARRA. Spending on repairs and on investments in public transportation are both very likely to advance the goals of the ARRA. On the other hand, although adding more lane miles to the nation’s roadway system creates jobs, new capacity does not add as many jobs, or add them as quickly, nor does it help to address the large national backlog of repairs and maintenance.

Citizens and policymakers often think the economics results described here apply mostly to large urban areas. Certainly more study has been given to urban areas, so most of the examples come from those studies. Yet although rural areas justifiably ask that more study be given to their challenges, almost all of the same principles apply—often with more force. Because they travel farther, rural citizens may be hit harder by rising gas prices and roads in poor condition.

In the context of project selection in the stimulus, it is also important to note that smaller-scale repair projects can be spread more widely around a state, benefitting rural areas.

### 3.4 States and MPOs have the opportunity to fund projects that meet multiple challenges

Economic goals are foremost in the stimulus, but Congress and the President also recognized that we live in a changing world where transportation intersects with a range of issues including low income communities’ access to the economic opportunity, an aging population, energy security, climate change, and changes in the housing market. Thirty-four official state climate-change action planning processes recognize the need to, and call for reducing, Vehicle Miles Traveled. These realities are producing real community needs, both economic and non-economic, and will help determine what we need from a 21st century transportation system.

All of those changes will require a transportation system that offers more choice than it does in most places today.

This is not to suggest that any project adding lane miles is contrary to the intent of the ARRA. There are enormous needs for improved connectivity in most metropolitan areas, and new roads are often crucial to returning economic activity to brownfields, for example. New miles of “complete streets” that serve all users, whether they drive or not, will add choice, value, and flexibility for future conditions.

---

6 Per public dollar, a Transportation Management Organization (TMO) can accommodate seven times as many commuters as new highway investment, through ridesharing and public transportation. Minnesota Department of Transportation, Modal Options Identity Project, “Measurement and Evaluation”, 2006.

7 [www.pewclimate.org/what_s_being_done/in_the_states/action_plan_map.cfm](http://www.pewclimate.org/what_s_being_done/in_the_states/action_plan_map.cfm)

8 [www.completestreets.org/complete-streets-fundamentals/complete-streets-faq/](http://www.completestreets.org/complete-streets-fundamentals/complete-streets-faq/)
Nonetheless, the data are clear: an ARRA portfolio that spends most of its STP funding on increasing conventional roadway lane miles and relatively little on public transportation, repairs to crumbling infrastructure, or bike and pedestrian routes, would not get the biggest short- and long-term economic stimulus bang for the ARRA buck, nor would that portfolio fulfill the other ARRA goals.

Most of the lessons summarized here are not generally controversial; others, though well supported by experience, are slower to find broad acceptance. No one argues that it is more cost-effective to delay repairing a road than to do it today. Nor are these arguments the province of advocacy groups; global consultant McKinsey & Co. found and reported to the Georgia Governor and Legislature that a portfolio of transportation investments projects in greater Atlanta containing no new lane miles would produce more than 100 times the economic return of a lane-mile expansion portfolio.9

This chapter identified the goals in the ARRA, and described what we know about the types of investments that are most likely to accomplish these goals. Of course, individual projects can go against the general finding—the particular circumstances in any state, metro area, or small town are important. The next crucial input to states’ decision-making is the state of their transportation systems. The next chapter provides that.

---

4 The state of states’ transportation systems: the need

The President’s call to rebuild our transportation infrastructure is strongly supported by studies done by federal agencies, civil engineers, and transportation stakeholders. There is little disagreement that our transportation system is urgently in need of repair, restoration, and increased investment in transportation choices.

4.1 Dangerous bridges

The American Society of Civil Engineers (ASCE), using U.S. Department of Transportation (U.S. DOT) data, gave the nation’s bridges a grade of “C” in its 2009 Report Card for America’s Infrastructure. ASCE described the thousands of U.S. bridges rated “structurally deficient” by U.S. DOT as “unsafe.” The latest state-based data from U.S. DOT show a deep backlog of bridge repairs in all parts of the country. (See Table 1, below.)

Data from the American Association of State Highway and Transportation Organizations (AASHTO) leaves little doubt about the state of our crumbling transportation infrastructure. AASHTO’s Bridging the Gap: Restoring and Rebuilding the Nation’s Bridges puts the price tag for repairing the nation’s structurally deficient bridges at $48 billion.10

4.2 Crumbling Roads

An equally compelling report from AASHTO paints a vivid picture of a massive repair backlog for our nation’s roadways. The sobering findings of Rough Roads Ahead: Fix Them Now or Pay for Them Later, include: 11

• One-third of the nation’s highways – interstates, freeways and major roads – are in poor or mediocre condition;

• More than one-quarter of major urban roads, which carry the brunt of national traffic, are in poor condition;

• Major urban areas have the roughest roads. 60 percent of the roads in the greater Los Angeles, San Jose, San Francisco, Honolulu, and Washington, DC, areas are in poor condition;

• Rough roads are not a matter of inconvenience, but add an average of $335 to the annual cost of owning a car – in some cities an additional $740 more – due to damaged tires, suspensions and reduced fuel efficiency (see Table 1); and

• Every $1 spent in keeping a good road in good repair saves $6-$14 necessary to rebuild it after it has deteriorated.

In sum: states and MPOs face enormous road and bridge repair needs; fixing them saves drivers money today; and saves the departments of transportation—thus taxpayers—6 to 14 times as much money tomorrow.


4.3 Unmet public transportation needs

Our roads and bridges are not the only parts of our transportation infrastructure in need of major repair and improvements. According to the ASCE, the condition of the country’s public transportation systems also warrants major increases in federal and state investments. ASCE gave the condition of the U.S. public transportation network a ‘D’ grade in its 2009 Report Card. The Federal Transit Administration says that the nation’s seven largest systems alone (Chicago’s CTA, Boston’s MBTA, New York’s MTA, New Jersey Transit, San Francisco’s BART, Philadelphia’s SEPTA, and Washington’s WMATA) have a $50 billion backlog of repairs necessary to reach a state of good repair.12

The FTA estimate addresses existing repair needs. Measures of additional needs include:

• **Lack of access.** Roughly 50% of U.S. households lack reliable access to public transportation.13

12 US DOT/Federal Transit Administration, “Rail Modernization Study: REPORT TO CONGRESS,” April, 2009. “More than one-third of agencies’ assets are either in marginal or poor condition, indicating that these assets are near or have already exceeded their expected useful life. ...” [T]here is an estimated State of Good Repair backlog of roughly $50 billion (2008 dollars) for the agencies under consideration.”

13 “According to a 2005 Bureau of the Census survey, only 54 percent of American households have access to public transportation of any kind as they plan their daily travel. These statistics are much worse in rural areas and other areas where the transit services that are provided lack the level of service and amenities that can attract choice riders.” William W. Millar, President, American Public Transportation Association, Testimony Before The National Surface Transportation Policy And Revenue Study Commission, July 25, 2007.

• **Rising use.** In 2008, nearly 10.7 billion trips were taken on U.S. public transportation, a four percent increase over 2007 and the highest level since 1956. Public transportation use has increased 38 percent since 1995, nearly triple the US population growth rate.14

• **Public demand.** According to a January 2009 National Association of Realtors national opinion survey, a very strong majority of the public (80%) prefer that stimulus transportation funding be used for repairing roadways and bridges and for public transportation.15

4.4 Unmet needs for capacity of all kinds

The previous three sections focused on the repair-only needs of bridges, roads, and public transportation. The public transportation section then moved into a brief discussion of how trends suggest the need for additional public transportation. The nation also needs additional roads. There is no doubt that the current road system is overtaxed in many places.

We do not offer estimated price tags here for projected needs in additional bridge, road, or transit capacity. Finally, every city in the

14 [www.apta.com/media/releases/090309_ridership.cfm](http://www.apta.com/media/releases/090309_ridership.cfm)

country has substantial needs for expanded bicycle and pedestrian mobility. We do not offer an estimated price tag for this needed expansion.

States and MPOs choosing how to spend ARRA funds—and taxpayers providing the funds—need to think about how to resolve competing needs for expansion, especially in a context where repair needs for all systems are so substantial. What kinds of investments actually help to solve the multiple challenges of generating the most jobs, the greatest economic return, positioning us to be competitive over the long run, and helping to address the other goals of energy security, climate mitigation, etc.? And how do those investments compare with the investments being made? We turn next to those investment choices.
## Table 1: Indicators of road and bridge conditions

<table>
<thead>
<tr>
<th>State</th>
<th>Roads not in “good” condition, 2007, percent(^{16})</th>
<th>Additional costs per driver due to roads in “poor” condition, 2007(^{17})</th>
<th>Structurally deficient bridges, Interstate and state, 2008(^{18})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>27%</td>
<td>$162</td>
<td>199</td>
</tr>
<tr>
<td>Alaska</td>
<td>72</td>
<td>$324</td>
<td>77</td>
</tr>
<tr>
<td>Arizona</td>
<td>32</td>
<td>$207</td>
<td>65</td>
</tr>
<tr>
<td>Arkansas</td>
<td>62</td>
<td>$302</td>
<td>285</td>
</tr>
<tr>
<td>California</td>
<td>82</td>
<td>$590</td>
<td>793</td>
</tr>
<tr>
<td>Colorado</td>
<td>56</td>
<td>$292</td>
<td>242</td>
</tr>
<tr>
<td>Connecticut</td>
<td>66</td>
<td>$313</td>
<td>165</td>
</tr>
<tr>
<td>Delaware</td>
<td>56</td>
<td>$282</td>
<td>20</td>
</tr>
<tr>
<td>Florida</td>
<td>24</td>
<td>$126</td>
<td>60</td>
</tr>
<tr>
<td>Georgia</td>
<td>8</td>
<td>$44</td>
<td>125</td>
</tr>
<tr>
<td>Hawaii</td>
<td>90</td>
<td>$503</td>
<td>51</td>
</tr>
<tr>
<td>Idaho</td>
<td>43</td>
<td>$318</td>
<td>76</td>
</tr>
<tr>
<td>Illinois</td>
<td>54</td>
<td>$297</td>
<td>822</td>
</tr>
<tr>
<td>Indiana</td>
<td>44</td>
<td>$242</td>
<td>294</td>
</tr>
<tr>
<td>Iowa</td>
<td>59</td>
<td>$383</td>
<td>241</td>
</tr>
<tr>
<td>Kansas</td>
<td>25</td>
<td>$318</td>
<td>71</td>
</tr>
<tr>
<td>Kentucky</td>
<td>45</td>
<td>$187</td>
<td>573</td>
</tr>
<tr>
<td>Louisiana</td>
<td>62</td>
<td>$388</td>
<td>675</td>
</tr>
<tr>
<td>Maine</td>
<td>46</td>
<td>$250</td>
<td>256</td>
</tr>
<tr>
<td>Maryland</td>
<td>58</td>
<td>$425</td>
<td>134</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>53</td>
<td>$301</td>
<td>345</td>
</tr>
<tr>
<td>Michigan</td>
<td>49</td>
<td>$370</td>
<td>441</td>
</tr>
<tr>
<td>Minnesota</td>
<td>53</td>
<td>$347</td>
<td>127</td>
</tr>
<tr>
<td>Mississippi</td>
<td>58</td>
<td>$394</td>
<td>356</td>
</tr>
<tr>
<td>Missouri</td>
<td>61</td>
<td>$410</td>
<td>1,665</td>
</tr>
<tr>
<td>Montana</td>
<td>24</td>
<td>$195</td>
<td>61</td>
</tr>
<tr>
<td>Nebraska</td>
<td>38</td>
<td>$278</td>
<td>116</td>
</tr>
<tr>
<td>Nevada</td>
<td>19</td>
<td>$227</td>
<td>20</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>40</td>
<td>$250</td>
<td>133</td>
</tr>
</tbody>
</table>


\(^{17}\) AASHTO, *Rough Roads Ahead*.

\(^{18}\) “How Deficient and Obsolete Bridges Break Out in 2008”, *Better Roads*, November 30, 2008, using US DOT data to show structurally deficient interstate and state bridges. Many city, county, and township bridges would be eligible for STP funds under ARRA, but not all, so we do not report them here. Pennsylvania did not provide enough detail to break these out.
<table>
<thead>
<tr>
<th>State</th>
<th>Value</th>
<th>stimulus</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Jersey</td>
<td>90</td>
<td>$596</td>
<td>254</td>
</tr>
<tr>
<td>New Mexico</td>
<td>36</td>
<td>$279</td>
<td>243</td>
</tr>
<tr>
<td>New York</td>
<td>65</td>
<td>$405</td>
<td>698</td>
</tr>
<tr>
<td>North Carolina</td>
<td>51</td>
<td>$251</td>
<td>2,537</td>
</tr>
<tr>
<td>North Dakota</td>
<td>43</td>
<td>$238</td>
<td>26</td>
</tr>
<tr>
<td>Ohio</td>
<td>41</td>
<td>$209</td>
<td>578</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>60</td>
<td>$457</td>
<td>924</td>
</tr>
<tr>
<td>Oregon</td>
<td>38</td>
<td>$166</td>
<td>179</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>67</td>
<td>$346</td>
<td>**</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>82</td>
<td>$473</td>
<td>150</td>
</tr>
<tr>
<td>South Carolina</td>
<td>49</td>
<td>$262</td>
<td>1,025</td>
</tr>
<tr>
<td>South Dakota</td>
<td>49</td>
<td>$319</td>
<td>86</td>
</tr>
<tr>
<td>Tennessee</td>
<td>29</td>
<td>$180</td>
<td>300</td>
</tr>
<tr>
<td>Texas</td>
<td>59</td>
<td>$336</td>
<td>421</td>
</tr>
<tr>
<td>Utah</td>
<td>49</td>
<td>$176</td>
<td>80</td>
</tr>
<tr>
<td>Vermont</td>
<td>55</td>
<td>$308</td>
<td>190</td>
</tr>
<tr>
<td>Virginia</td>
<td>54</td>
<td>$249</td>
<td>1,054</td>
</tr>
<tr>
<td>Washington</td>
<td>47</td>
<td>$266</td>
<td>152</td>
</tr>
<tr>
<td>West Virginia</td>
<td>58</td>
<td>$280</td>
<td>1,024</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>47</td>
<td>$281</td>
<td>217</td>
</tr>
<tr>
<td>Wyoming</td>
<td>45</td>
<td>$230</td>
<td>76</td>
</tr>
<tr>
<td><strong>U.S. Total</strong></td>
<td><strong>49%</strong></td>
<td><strong>$335</strong></td>
<td><strong>18,722</strong></td>
</tr>
</tbody>
</table>
5 Are states and regions using stimulus money to create jobs quickly, maximize economic returns, and make progress toward a 21st century transportation system?

The previous chapters reviewed the goals of the ARRA legislation, the economics of different transportation investments, and the current state of transportation systems across the country. This chapter examines how states and MPOs are committing ARRA’s flexible transportation funds and how those decisions stack up as job creators and economic investments, and how they position the country for the 21st century.

5.1 Determining what projects are being funded

Section 1511 of the ARRA, one of the accountability sections of the law, requires state officials to certify that they reviewed and vetted each infrastructure investment to be funded under the ARRA and that each investment “is an appropriate use of taxpayer dollars.” This section of the law also requires these officials to describe each project, its estimated total cost, and the amount of ARRA dollars used to fund it. As described earlier, the Surface Transportation Program (STP) requires states to sub-allocate 30% of their funding to Metropolitan Planning Organizations (MPOs), and Section 1511 reports also cover the spending commitments made by MPOs.

Information about the transportation projects selected by the states, the District of Columbia, and the MPOs to receive stimulus funding is available from U.S. DOT at http://testimony.ost.dot.gov/ARRAcerts/.

SGA reviewed all Section 1511 certifications, from states and MPOs, posted through June 15, 2009. Projects in these filings account for 80 percent of the available $26.6 billion in STP ARRA funding.19 States

19 On June 23, 2009, the Transportation and Infrastructure Committee of the US House of Representatives held a hearing on “Recovery Act: 120-Day Progress Report for Transportation Programs.” The summary material for that hearing states “Of the $27.5 billion provided for highways and bridges, 50 States, three Territories, and the District of Columbia have submitted to and received approval from the Federal Highway Administration (FHWA) for 4,366 projects totaling $14.4 billion, approximately 54 percent of the Recovery Act highway formula funds.” http://transportation.house.gov/hearings/hearingDetail.aspx?NewsID=940

The SGA analysis uses project lists that states have certified to USDOT. Under Section 1511 of ARRA, states must submit these project lists to USDOT, certifying that the projects have been selected in accordance with the procedures required by the act. A project on a certified list can then be obligated, essentially receiving a commitment by USDOT to fund the project. Since
and MPOs have until March 2, 2010 to commit the remaining 20%.

Because the goal of this report is to ask how states and MPOs are using the freedom they have under ARRA, SGA included in this review and analysis only projects funded through the flexible STP funding. The law already determines that a separate $8.4 billion will be public transportation projects. This study reviews state decisions with flexible STP funds to learn what projects are being funded, and as a window into state decision making and priority setting.

**Methodology**

SGA and our consultants started with the project lists included in the Section 1511 certification materials submitted by state and regional officials and posted by U.S. DOT on its web site. When those materials were incomplete or insufficient to understand the nature of the project, SGA did additional research. We analyzed line items contained on lists attached to the 1511 Certification letters, and referenced to state DOT websites. In a few cases we had to work hard to get official ARRA-certified project lists that were incorporated directly into State Transportation Improvement Programs.

---

there is normally a lag of a few weeks between when a project gets certified and when it gets obligated, the number of certified projects is always greater than the number of obligated projects. USDOT provided the Committee with information on obligations, but has not made any detailed data available to the public. At writing, the Section 1511 lists of certified projects are the only comprehensive project-level data available.

STP projects funded by the ARRA were classified by SGA into five categories:

1. Roadway system preservation;
2. Roadway new capacity;
3. Non-motorized transportation and related;
4. Public transportation and related; and
5. Other types of STP projects that do not fall within the other four categories.

1. “Roadway system preservation” projects include all roadway and bridge projects not classified as “roadway new capacity.” They correspond to the following Federal Highway Administration (FHWA) categories: safety/traffic management; pavement improvement; bridge replacement; and bridge improvement. In general, this category is composed of projects that do not add lane miles to the roadway system. Types of projects in this category include:
   - Highway resurfacing, rehabilitation, and reconstruction
   - Bridge rehabilitation and replacement
   - Highway and bridge maintenance
   - Safety projects
   - Intelligent Transportation Systems, signing, traffic signals
   - Intersection improvements
   - Transportation demand management (e.g., park-and-ride and ridesharing)

2. “Roadway new capacity” projects refer to projects that add lane miles to states’ highways, roads, and bridges. Types of projects classified in this category include:
   - Construction of new roadways
• Roadway widening projects, including construction of passing lanes and weaving lanes
• New bridge construction where the project is clearly being built for the purpose of adding capacity in a corridor through construction of a new facility
• Most turning lanes at intersections counted as preservation, but continuous turning lanes counted as new capacity.

3. “Non-motorized and related” projects include all projects designed to facilitate “active” or human-powered transportation that does not rely on cars, buses, trains or trucks. Examples of the types of projects classified in this category include:
   • Bicycle projects
   • Pedestrian projects
   • Trails
   • Streetscapes

4. “Transit and related” projects include all projects, funded under the STP, that are designed to add capacity to, improve the safety of, preserve, facilitate, and are otherwise related to public transportation.

5. “Other” transportation projects under the STP umbrella that do not fall within the other four classifications include the following:
   • Freight rail
   • Maritime
   • Aviation

• Transportation enhancements’ other than those classified within the “Non-motorized Transportation” category, including, for example, historic preservation, outdoor advertising control, and landscaping that is not part of a streetscaping project.
• Administrative computer systems
• Planning studies
• Contingency budgets

The title “Other” for this category should in no way be interpreted as a judgment on the importance of the projects within it; all of these are important types of spending. For instance, “coordinating with land use” and “system management” would fall into this category. A more thorough analysis of spending decisions would break out not only the project types in “Other,” but also subdivide the other main categories as well.

Challenges in understanding states’ reporting

Not all states provided information about STP-funded projects with their Section 1511 certification letters that could be used to assign projects accurately to one of the five types of project categories used in this analysis.

Some states, for example, did not provide lists of projects with their Section 1511 certification letters as required by the ARRA. Other states that provided project lists failed to provide detailed-enough descriptions for analysts to classify specific projects according to the categories used in this report. Still other states labeled projects that added new
roadway capacity as retrofit or improvement projects that would, without close examination, be mischaracterized as “roadway system preservation” projects. In each case, SGA had to gain access to other sources of information, including supplemental web resources and through special requests to state DOTs.

We regard the overall patterns established by the data to be sound. Given the thousands of projects, the risk that enough were mischaracterized to change the findings is small.

5.2 Where states are spending ARRA’s flexible transportation money

Nationally

Table 2 presents the data available as of June 15 about the types and estimated cost of projects for each state to be funded under the STP of the ARRA based on Section 1511 certification data and other sources. Data are presented in both dollar amounts and percentage terms. States are listed alphabetically for easy reference.
Table 2: ARRA Surface Transportation Program commitments per Section 1511 certifications through 6/15/09, by state

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Total (all $ in M)</th>
<th>Highway System Preservation</th>
<th>Percentage</th>
<th>Highway New Capacity</th>
<th>Percentage</th>
<th>Non-Motorized + Related</th>
<th>Percentage</th>
<th>Transit + Related</th>
<th>Percentage</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alabama</td>
<td>482.7</td>
<td>324.8</td>
<td>67%</td>
<td>154.1</td>
<td>32%</td>
<td>2.8</td>
<td>1%</td>
<td>0.8</td>
<td>0.2%</td>
<td>0.2</td>
</tr>
<tr>
<td>2</td>
<td>Alaska</td>
<td>158.7</td>
<td>147.2</td>
<td>93%</td>
<td>0.0</td>
<td>0%</td>
<td>3.8</td>
<td>2%</td>
<td>0.0</td>
<td>0%</td>
<td>7.7</td>
</tr>
<tr>
<td>3</td>
<td>Arizona</td>
<td>526.6</td>
<td>274.1</td>
<td>52%</td>
<td>205.1</td>
<td>39%</td>
<td>27.2</td>
<td>5%</td>
<td>0.0</td>
<td>0%</td>
<td>3.8</td>
</tr>
<tr>
<td>4</td>
<td>Arkansas</td>
<td>335.8</td>
<td>51.1</td>
<td>15.2%</td>
<td>273.2</td>
<td>81.4%</td>
<td>0.0</td>
<td>0.0%</td>
<td>12.8</td>
<td>1%</td>
<td>11.5</td>
</tr>
<tr>
<td>5</td>
<td>California</td>
<td>2,169.5</td>
<td>1175.7</td>
<td>54%</td>
<td>902.5</td>
<td>42%</td>
<td>41.4</td>
<td>2%</td>
<td>31.1</td>
<td>8%</td>
<td>36.0</td>
</tr>
<tr>
<td>6</td>
<td>Colorado</td>
<td>411.7</td>
<td>306.2</td>
<td>74%</td>
<td>56.7</td>
<td>14%</td>
<td>16.6</td>
<td>4%</td>
<td>31.1</td>
<td>8%</td>
<td>1.1</td>
</tr>
<tr>
<td>7</td>
<td>Connecticut</td>
<td>181.7</td>
<td>181.7</td>
<td>100%</td>
<td>0.0</td>
<td>0%</td>
<td>17.4</td>
<td>12%</td>
<td>22.5</td>
<td>16%</td>
<td>0.0</td>
</tr>
<tr>
<td>8</td>
<td>Delaware</td>
<td>143.0</td>
<td>102.3</td>
<td>72%</td>
<td>0.0</td>
<td>0%</td>
<td>51.2</td>
<td>41%</td>
<td>0.0</td>
<td>0%</td>
<td>1.1</td>
</tr>
<tr>
<td>9</td>
<td>D. of Columbia</td>
<td>123.5</td>
<td>71.2</td>
<td>58%</td>
<td>0.0</td>
<td>0%</td>
<td>54.5</td>
<td>4%</td>
<td>0.0</td>
<td>0%</td>
<td>1.1</td>
</tr>
<tr>
<td>10</td>
<td>Florida</td>
<td>1,354.0</td>
<td>293.2</td>
<td>22%</td>
<td>991.3</td>
<td>73%</td>
<td>54.5</td>
<td>4%</td>
<td>4.6</td>
<td>3%</td>
<td>6.2</td>
</tr>
<tr>
<td>11</td>
<td>Georgia</td>
<td>541.1</td>
<td>353.5</td>
<td>65%</td>
<td>132.1</td>
<td>24%</td>
<td>25.4</td>
<td>5%</td>
<td>25.0</td>
<td>5%</td>
<td>5.1</td>
</tr>
<tr>
<td>12</td>
<td>Hawaii</td>
<td>92.3</td>
<td>55.0</td>
<td>60%</td>
<td>26.8</td>
<td>29%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
<td>0%</td>
<td>0.4</td>
</tr>
<tr>
<td>13</td>
<td>Idaho</td>
<td>173.1</td>
<td>133.6</td>
<td>77%</td>
<td>29.1</td>
<td>17%</td>
<td>8.1</td>
<td>5%</td>
<td>0.0</td>
<td>0%</td>
<td>2.4</td>
</tr>
<tr>
<td>14</td>
<td>Illinois</td>
<td>510.9</td>
<td>487.8</td>
<td>95%</td>
<td>22.8</td>
<td>4%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
<td>0%</td>
<td>0.3</td>
</tr>
<tr>
<td>15</td>
<td>Indiana</td>
<td>274.4</td>
<td>154.9</td>
<td>56%</td>
<td>113.0</td>
<td>41%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
<td>0%</td>
<td>6.5</td>
</tr>
<tr>
<td>16</td>
<td>Iowa</td>
<td>231.4</td>
<td>178.8</td>
<td>77%</td>
<td>14.4</td>
<td>6%</td>
<td>12.3</td>
<td>5%</td>
<td>25.9</td>
<td>11%</td>
<td>0.0</td>
</tr>
<tr>
<td>17</td>
<td>Kansas</td>
<td>484.1</td>
<td>65.8</td>
<td>14%</td>
<td>409.5</td>
<td>85%</td>
<td>4.7</td>
<td>1%</td>
<td>0.0</td>
<td>0%</td>
<td>4.1</td>
</tr>
<tr>
<td>18</td>
<td>Kentucky</td>
<td>310.8</td>
<td>36.0</td>
<td>12%</td>
<td>266.8</td>
<td>86%</td>
<td>3.5</td>
<td>1%</td>
<td>0.0</td>
<td>0%</td>
<td>4.5</td>
</tr>
<tr>
<td>19</td>
<td>Louisiana</td>
<td>338.6</td>
<td>215.5</td>
<td>64%</td>
<td>110.3</td>
<td>33%</td>
<td>12.8</td>
<td>4%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
</tr>
<tr>
<td>20</td>
<td>Maine</td>
<td>131.4</td>
<td>127.5</td>
<td>97%</td>
<td>0.0</td>
<td>0%</td>
<td>1.9</td>
<td>1%</td>
<td>0.0</td>
<td>0%</td>
<td>2.0</td>
</tr>
<tr>
<td>21</td>
<td>Maryland</td>
<td>224.6</td>
<td>210.1</td>
<td>94%</td>
<td>0.0</td>
<td>0%</td>
<td>13.6</td>
<td>6%</td>
<td>0.0</td>
<td>0%</td>
<td>0.9</td>
</tr>
<tr>
<td>22</td>
<td>Massachusetts</td>
<td>336.2</td>
<td>202.5</td>
<td>60%</td>
<td>66.9</td>
<td>20%</td>
<td>47.0</td>
<td>14%</td>
<td>16.8</td>
<td>5%</td>
<td>0.0</td>
</tr>
<tr>
<td>23</td>
<td>Michigan</td>
<td>797.9</td>
<td>663.3</td>
<td>83%</td>
<td>96.1</td>
<td>12%</td>
<td>30.5</td>
<td>4%</td>
<td>0.9</td>
<td>0.1%</td>
<td>7.1</td>
</tr>
<tr>
<td>24</td>
<td>Minnesota</td>
<td>407.2</td>
<td>339.1</td>
<td>83%</td>
<td>66.2</td>
<td>16%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
<td>0%</td>
<td>1.9</td>
</tr>
<tr>
<td>25</td>
<td>Mississippi</td>
<td>309.8</td>
<td>269.2</td>
<td>87%</td>
<td>39.2</td>
<td>13%</td>
<td>1.4</td>
<td>0%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
</tr>
<tr>
<td>26</td>
<td>Missouri</td>
<td>135.7</td>
<td>115.8</td>
<td>85%</td>
<td>20.0</td>
<td>15%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
<td>0%</td>
<td>0.0</td>
</tr>
<tr>
<td>27</td>
<td>Montana</td>
<td>173.5</td>
<td>112.8</td>
<td>65%</td>
<td>48.0</td>
<td>28%</td>
<td>6.8</td>
<td>4%</td>
<td>0.0</td>
<td>0%</td>
<td>5.9</td>
</tr>
</tbody>
</table>
## The States and the Stimulus

<table>
<thead>
<tr>
<th>State</th>
<th>Figure 1</th>
<th>Figure 2</th>
<th>Figure 3</th>
<th>Figure 4</th>
<th>Figure 5</th>
<th>Figure 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nebraska</td>
<td>188.5</td>
<td>151.5</td>
<td>34.7</td>
<td>2.1</td>
<td>0.0</td>
<td>0.2</td>
</tr>
<tr>
<td>Nevada</td>
<td>204.8</td>
<td>185.8</td>
<td>5.0</td>
<td>0.0</td>
<td>0.4</td>
<td>0.2%</td>
</tr>
<tr>
<td>N. Hampshire</td>
<td>120.0</td>
<td>63.5</td>
<td>54.5</td>
<td>2.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>New Jersey</td>
<td>461.5</td>
<td>441.9</td>
<td>0.0</td>
<td>19.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>New Mexico</td>
<td>107.9</td>
<td>85.9</td>
<td>22.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>New York</td>
<td>600.9</td>
<td>557.3</td>
<td>27.0</td>
<td>10.1</td>
<td>4.8</td>
<td>1.7</td>
</tr>
<tr>
<td>North Carolina</td>
<td>694.3</td>
<td>336.9</td>
<td>317.8</td>
<td>24.6</td>
<td>4.3</td>
<td>1%</td>
</tr>
<tr>
<td>North Dakota</td>
<td>95.1</td>
<td>95.1</td>
<td>0.0</td>
<td>11.7</td>
<td>18.2</td>
<td>2%</td>
</tr>
<tr>
<td>Ohio</td>
<td>1,054.2</td>
<td>414.3</td>
<td>445.3</td>
<td>38.4</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>481.3</td>
<td>435.4</td>
<td>45.9</td>
<td>10.4</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Oregon</td>
<td>248.1</td>
<td>133.9</td>
<td>41.9</td>
<td>20.2</td>
<td>21.3</td>
<td>9%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>1,026.8</td>
<td>929.4</td>
<td>58.9</td>
<td>38.4</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>138.5</td>
<td>127.1</td>
<td>0.0</td>
<td>12.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>South Carolina</td>
<td>433.5</td>
<td>354.0</td>
<td>67.5</td>
<td>12.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>South Dakota</td>
<td>106.2</td>
<td>106.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Tennessee</td>
<td>468.4</td>
<td>278.8</td>
<td>186.8</td>
<td>0.0</td>
<td>0.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Texas</td>
<td>1,529.4</td>
<td>781.7</td>
<td>697.4</td>
<td>7.7</td>
<td>0.0</td>
<td>42.6</td>
</tr>
<tr>
<td>Utah</td>
<td>232.5</td>
<td>154.5</td>
<td>69.6</td>
<td>8.1</td>
<td>0.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Vermont</td>
<td>59.5</td>
<td>59.6</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Virginia</td>
<td>472.1</td>
<td>302.3</td>
<td>139.9</td>
<td>20.9</td>
<td>0.0</td>
<td>9.0</td>
</tr>
<tr>
<td>Washington</td>
<td>493.9</td>
<td>303.3</td>
<td>143.9</td>
<td>20.5</td>
<td>0.0</td>
<td>26.3</td>
</tr>
<tr>
<td>West Virginia</td>
<td>208.3</td>
<td>112.3</td>
<td>96.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>393.6</td>
<td>251.7</td>
<td>137.8</td>
<td>4.1</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Wyoming</td>
<td>158.4</td>
<td>128.5</td>
<td>25.4</td>
<td>0.0</td>
<td>0.0</td>
<td>4.5</td>
</tr>
</tbody>
</table>

Totals: $21,337.9 | $13,439.5 | $6,661.4 | $605.4 | $189.4 | $417.7

% Total: 63.0% | 31.2% | 2.8% | 0.9% | 2.0%

Source: Analysis of state Section 1511 certifications by Charlier Associates, Inc. and Mark Stout. With rare exceptions, category totals are rounded.

* Arkansas’ 103 projects total $421.2M, which is greater than the $335.8M in ARRA funds available. The $85.4M balance will be funded from other Federal-aid, State and/or local funds as appropriate, but no break-outs of ARRA funds were provided per line item. The figures in the table are pro-rated to total $335.8M.
From a national perspective, the commitments in Table 2 as of June 15, add up to 80% of the total STP funding available to the states under the ARRA.

With those funds, the states committed the following amounts.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Allocated to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.6 billion (31%)</td>
<td>Roadway new capacity projects</td>
</tr>
<tr>
<td>$21.3 billion (63%)</td>
<td>Roadway preservation projects</td>
</tr>
<tr>
<td>$605.4 million (2.8%)</td>
<td>Public transportation projects</td>
</tr>
<tr>
<td>$189.4 million (0.9%)</td>
<td>Non-motorized projects</td>
</tr>
<tr>
<td>$417.7 million (2.0%)</td>
<td>Other types of projects</td>
</tr>
</tbody>
</table>

On a national level, does this set of spending decisions by states and regions fulfill the goals of the ARRA? Table 3, on the next page, answers this question for each of the nine ARRA goals, drawing on the goals and the state of the knowledge reviewed in Chapter 2.

Note that the spending summary covers many thousands of projects, and it is not possible to evaluate each of them in terms of the nine goals for the stimulus in Chapter 3. This report evaluates the spending decisions in the aggregate against those goals. The logical objection to this method of analysis is that it does not capture the specifics of a project. This is true, and from an individual project perspective this is a weakness. The aggregate nature of this analysis is also this study's biggest strength. The study is a “big picture” assessment of how federal dollars are being spent, and this seems an appropriate way to evaluate a federal program. Unlike planning for specific projects (by far the dominant mode of planning in transportation), this study looks at the overall goals of the federal program—what are we trying to buy with our $26.6 billion of taxpayer money?—and examines the flow of resources to see how much is going to accomplish which goals. In much the same way, a business might look at its overall expenditures to see if they are in line with its business objectives.
Table 3: Will state and regional stimulus spending decisions fulfill the goals of the stimulus?

<table>
<thead>
<tr>
<th>Stimulus performance measure</th>
<th>Will the selected projects do that?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Create and save jobs</td>
<td>Yes, but they will not create as many or as quickly as they could have. For instance, studies suggest spending another $2 billion on repair would have created 4,300 new jobs, more quickly.</td>
</tr>
<tr>
<td>2. Fix our crumbling infrastructure</td>
<td>Yes, but not as much as it could have. The 60% share for repair and preservation is a vital investment in catching up. But states and regions will now have $6 billion more miles of roads to maintain...when they could not afford to maintain the ones they already have.</td>
</tr>
<tr>
<td>3. Provide a balanced transportation system</td>
<td>No. Less than 7% of spending is going to projects that will increase transportation choices for people and freight.</td>
</tr>
<tr>
<td>4. Improve public transportation</td>
<td>No. The ARRA’s $8.4 billion in capital grants for public transportation elsewhere in the ARRA will certainly help. The states sending 0.9% of flexible funds for transit will have little overall effect.</td>
</tr>
<tr>
<td>5. Reduce the nation’s energy dependence</td>
<td>No. Repaired roads are marginally more efficient. But the spending going to roads, accounting for 93% of the total, will not reduce oil consumption in any meaningful way. And the 30% going to new roads will generally increase consumption.</td>
</tr>
<tr>
<td>6. Promote long-term economic growth</td>
<td>Mixed. Repairing roads and bridges saves drivers and society money. That money can now be invested in other productive uses. But the 30% for new roads will, for the most part, go to a category of investments whose economic returns have been falling, while missing high-return investments in system management and public transportation, coordinated with growth.</td>
</tr>
<tr>
<td>7. Reduce greenhouse gas emissions</td>
<td>No, for the same reasons as #5.</td>
</tr>
<tr>
<td>8. Not contribute to additional sprawl</td>
<td>No. New capacity need not add to sprawl, but the number, type, and location of many of the of new and widened roads planned will almost certainly contribute to sprawl.</td>
</tr>
<tr>
<td>9. Reduce commute times and congestion</td>
<td>Mixed. In the short run, additional lanes may ease congestion. In the long run, the congestion-reducing benefits of additional public transportation generally outweigh those of additional lane miles, which fill up again.</td>
</tr>
</tbody>
</table>
The performance of the states’ chosen projects on each of these performance measures could be discussed at length. Three conclusions about state and regional decision-making, as a whole, seem particularly strong.

1. **Despite a multi-trillion dollar backlog of roadway and bridge repairs throughout the country, almost a third of the money — more than $6.6 billion — was committed to new capacity roads and bridges rather than to repair and other preservation projects.**

   The nation is growing, and many areas need substantial improvements in connectivity. Many places will need additional roadway capacity. However, given the enormous roadway and bridge repair backlog, its costs in terms of vehicle repairs, its threat to human safety, and the job-creation advantages of roadway preservation projects, this magnitude of new construction cannot said to be fulfilling the goals of the ARRA.

2. **States generally failed to take advantage of a golden opportunity offered by the flexibility in the STP to make progress on the huge public transportation backlog, and move towards a more balanced transportation system.**

   In view of the growing demand, the need for upgrading identified in the ASCE report, and the multiple benefits of public transportation, the $189 million in STP funding allocated by the states so far is grossly inadequate. Even when the mandatory, non-STP funding for public transportation is taken into consideration, the total commitment to transportation choice falls far short of the need.

   The $600 million in STP funding commitments to non-motorized transportation is better, but also fails to meaningfully respond to the public’s need for more affordable and healthy transportation options. This level of spending for bicycling and walking will have minimal impact on the nation’s stock of bicycle and pedestrian routes, or on individual mobility.

3. **We could get much more from our transportation spending, but the federal program isn’t set up to ensure that we get the most from the money spent. With scarce resources, large backlogs and increasing challenges, it’s an opportunity we can’t afford to waste.**

   The data make clear that with different funding choices, greater progress could have been made combating climate change, increasing energy security, increasing mobility for elderly and low income populations, and reducing the repair backlog. More jobs could have been created more quickly. However, the federal transportation program does not clearly articulate what goals should be achieved with each tax dollar spent, nor how to compare different spending options against those goals, nor how to ensure progress towards meeting them. The result is wasted opportunity and money.

Taken together, the data paint a picture of a missed opportunity to make as much progress as possible on pressing needs.
Table 4: State rankings

<table>
<thead>
<tr>
<th>1</th>
<th>Alaska</th>
<th>100%</th>
<th>0%</th>
<th>72%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Connecticut</td>
<td>100%</td>
<td>0%</td>
<td>66%</td>
</tr>
<tr>
<td>3</td>
<td>Delaware</td>
<td>100%</td>
<td>0%</td>
<td>56%</td>
</tr>
<tr>
<td>4</td>
<td>District of Columbia</td>
<td>100%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Maine</td>
<td>100%</td>
<td>0%</td>
<td>58%</td>
</tr>
<tr>
<td>6</td>
<td>Maryland</td>
<td>100%</td>
<td>0%</td>
<td>46%</td>
</tr>
<tr>
<td>7</td>
<td>New Jersey</td>
<td>100%</td>
<td>0%</td>
<td>43%</td>
</tr>
<tr>
<td>8</td>
<td>North Dakota</td>
<td>100%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Rhode Island</td>
<td>100%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>South Dakota</td>
<td>100%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Vermont</td>
<td>100%</td>
<td>0%</td>
<td>83%</td>
</tr>
<tr>
<td>12</td>
<td>Nevada</td>
<td>97%</td>
<td>3%</td>
<td>55%</td>
</tr>
<tr>
<td>13</td>
<td>Illinois</td>
<td>96%</td>
<td>4%</td>
<td>49%</td>
</tr>
<tr>
<td>14</td>
<td>New York</td>
<td>95%</td>
<td>5%</td>
<td>65%</td>
</tr>
<tr>
<td>15</td>
<td>Pennsylvania</td>
<td>94%</td>
<td>6%</td>
<td>67%</td>
</tr>
<tr>
<td>16</td>
<td>Iowa</td>
<td>93%</td>
<td>7%</td>
<td>59%</td>
</tr>
<tr>
<td>17</td>
<td>Oklahoma</td>
<td>90%</td>
<td>10%</td>
<td>60%</td>
</tr>
<tr>
<td>18</td>
<td>Michigan</td>
<td>87%</td>
<td>13%</td>
<td>49%</td>
</tr>
<tr>
<td>19</td>
<td>Mississippi</td>
<td>87%</td>
<td>13%</td>
<td>58%</td>
</tr>
<tr>
<td>20</td>
<td>Missouri</td>
<td>85%</td>
<td>15%</td>
<td>61%</td>
</tr>
<tr>
<td>21</td>
<td>Colorado</td>
<td>84%</td>
<td>16%</td>
<td>56%</td>
</tr>
<tr>
<td>22</td>
<td>Minnesota</td>
<td>84%</td>
<td>16%</td>
<td>53%</td>
</tr>
<tr>
<td>23</td>
<td>South Carolina</td>
<td>84%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Wyoming</td>
<td>83%</td>
<td>17%</td>
<td>45%</td>
</tr>
<tr>
<td>25</td>
<td>Idaho</td>
<td>82%</td>
<td>18%</td>
<td>43%</td>
</tr>
<tr>
<td>26</td>
<td>Nebraska</td>
<td>81%</td>
<td>19%</td>
<td>38%</td>
</tr>
<tr>
<td>27</td>
<td>New Mexico</td>
<td>80%</td>
<td>20%</td>
<td>36%</td>
</tr>
<tr>
<td>28</td>
<td>Oregon</td>
<td>76%</td>
<td>24%</td>
<td>38%</td>
</tr>
<tr>
<td>29</td>
<td>Massachusetts</td>
<td>75%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Georgia</td>
<td>73%</td>
<td>27%</td>
<td>8%</td>
</tr>
<tr>
<td>31</td>
<td>Montana</td>
<td>70%</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>32</td>
<td>Utah</td>
<td>69%</td>
<td>31%</td>
<td>49%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent of funding on public transportation + non-motorized projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>District of Columbia</td>
</tr>
<tr>
<td>Delaware</td>
</tr>
<tr>
<td>Massachusetts</td>
</tr>
<tr>
<td>Oregon</td>
</tr>
<tr>
<td>Iowa</td>
</tr>
<tr>
<td>Colorado</td>
</tr>
<tr>
<td>Hawaii</td>
</tr>
<tr>
<td>Georgia</td>
</tr>
<tr>
<td>Rhode Island</td>
</tr>
<tr>
<td>Maryland</td>
</tr>
<tr>
<td>Arizona</td>
</tr>
<tr>
<td>Virginia</td>
</tr>
<tr>
<td>Idaho</td>
</tr>
<tr>
<td>Florida</td>
</tr>
<tr>
<td>New Jersey</td>
</tr>
<tr>
<td>North Carolina</td>
</tr>
<tr>
<td>Washington</td>
</tr>
<tr>
<td>Michigan</td>
</tr>
<tr>
<td>Montana</td>
</tr>
<tr>
<td>Louisiana</td>
</tr>
<tr>
<td>Pennsylvania</td>
</tr>
<tr>
<td>Utah</td>
</tr>
<tr>
<td>Ohio</td>
</tr>
<tr>
<td>South Carolina</td>
</tr>
<tr>
<td>California</td>
</tr>
<tr>
<td>New York</td>
</tr>
<tr>
<td>Alaska</td>
</tr>
<tr>
<td>New Hampshire</td>
</tr>
<tr>
<td>Maine</td>
</tr>
<tr>
<td>Kentucky</td>
</tr>
<tr>
<td>Nebraska</td>
</tr>
<tr>
<td>Kansas</td>
</tr>
</tbody>
</table>

20 Starting with the figures in Table 2: Percent of road money each state is allocating to:

\[
\text{System Preservation} = \frac{\text{\$ for System Preservation}}{\text{\$ for System Preservation + \$ for New Capacity}}
\]

\[
\text{New Capacity} = \frac{\text{\$ for New Capacity}}{\text{\$ for System Preservation + \$ for New Capacity}}
\]

21 From Table 1.
<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Stimulus 1</th>
<th>Stimulus 2</th>
<th>Stimulus 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Alabama</td>
<td>68%</td>
<td>32%</td>
<td>27%</td>
</tr>
<tr>
<td>34</td>
<td>Washington</td>
<td>68%</td>
<td>32%</td>
<td>47%</td>
</tr>
<tr>
<td>35</td>
<td>Hawaii</td>
<td>67%</td>
<td>33%</td>
<td>90%</td>
</tr>
<tr>
<td>36</td>
<td>Louisiana</td>
<td>66%</td>
<td>34%</td>
<td>62%</td>
</tr>
<tr>
<td>37</td>
<td>Wisconsin</td>
<td>65%</td>
<td>35%</td>
<td>47%</td>
</tr>
<tr>
<td>38</td>
<td>Tennessee</td>
<td>60%</td>
<td>40%</td>
<td>29%</td>
</tr>
<tr>
<td>39</td>
<td>Virginia</td>
<td>60%</td>
<td>40%</td>
<td>54%</td>
</tr>
<tr>
<td>40</td>
<td>Indiana</td>
<td>58%</td>
<td>42%</td>
<td>44%</td>
</tr>
<tr>
<td>41</td>
<td>Arizona</td>
<td>57%</td>
<td>43%</td>
<td>32%</td>
</tr>
<tr>
<td>42</td>
<td>California</td>
<td>57%</td>
<td>43%</td>
<td>82%</td>
</tr>
<tr>
<td>43</td>
<td>New Hampshire</td>
<td>54%</td>
<td>46%</td>
<td>40%</td>
</tr>
<tr>
<td>44</td>
<td>West Virginia</td>
<td>54%</td>
<td>46%</td>
<td>58%</td>
</tr>
<tr>
<td>45</td>
<td>Texas</td>
<td>53%</td>
<td>47%</td>
<td>59%</td>
</tr>
<tr>
<td>46</td>
<td>North Carolina</td>
<td>51%</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>47</td>
<td>Ohio</td>
<td>48%</td>
<td>52%</td>
<td>41%</td>
</tr>
<tr>
<td>48</td>
<td>Florida</td>
<td>23%</td>
<td>77%</td>
<td>24%</td>
</tr>
<tr>
<td>49</td>
<td>Arkansas</td>
<td>15%</td>
<td>85%</td>
<td>62%</td>
</tr>
<tr>
<td>50</td>
<td>Kansas</td>
<td>14%</td>
<td>86%</td>
<td>25%</td>
</tr>
<tr>
<td>51</td>
<td>Kentucky</td>
<td>12%</td>
<td>88%</td>
<td>45%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Stimulus 1</th>
<th>Stimulus 2</th>
<th>Stimulus 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Wisconsin</td>
<td>1.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Alabama</td>
<td>0.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mississippi</td>
<td>0.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Texas</td>
<td>0.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Nevada</td>
<td>0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Arkansas</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Connecticut</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Illinois</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Indiana</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minnesota</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Missouri</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Mexico</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>North Dakota</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oklahoma</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>South Dakota</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tennessee</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vermont</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>West Virginia</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wyoming</td>
<td>0.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6 Public accountability and transparency in the Recovery Act

Accountability has been a central tenet of the ARRA. The Administration has made a commitment that public officials will be held accountable to the American people for the way they allocate and spend stimulus funds. Numerous statements by the President underline the focus on transparency and accountability.

In the initial recovery implementation memorandum to heads of departments and agencies on February 9th, the President said,

“Following through on our commitments for accountability and openness will create a foundation upon which we can build as we continue to tackle the economic crisis and the many other challenges facing our nation.”22

On February 17th, the day he signed the recovery package, the President added:

“[W]e expect you, the American people, to hold us accountable for the results.”23

At the March 4th signing of a presidential memorandum instructing federal agency heads to strengthen oversight and management of taxpayer dollars, the President stated:

“[T]he American people have every right to expect and to demand a government that is more efficient, more accountable, and more responsible in keeping the public’s trust.”24

The Administration’s commitment to an accountable stimulus process is consistent with public opinion. In a February poll conducted by Lake Research Partners and the Topos Partnership, voters expressed strong support for reforms to make the economic recovery package transparent and accountable to the public.25 According to the poll results:

- Voters want full and open reporting on how the recovery money is spent, with voters of all political stripes strongly supporting the creation of web-based tracking and reporting requirements — at both the federal and the state level — to ensure that federal money is effectively spent and has a positive impact on the economy.

- Roughly eight in ten say that making the U.S. government more accountable (83%) and more open (79%) to average citizens are important priorities, with close to 4 in 10 regarding these reforms as “one of the most important priorities.”

22 www.recovery.gov/?q=content/accountability-and-transparency
23 www.whitehouse.gov/blog/09/02/17/signed-sealed-delivered-arra/
25 http://static.uspird.org/consumer/archives/2-4-09LRPMemoonTransparentRecovery.pdf
76% believe it is important to create state websites that provide information on which companies and government agencies are getting the funds, for what purposes, and the number and quality of jobs being created or saved.

According to the Administration, the federal government’s top five accountability goals are to ensure that:

1. “Recovery funds are awarded and distributed in a prompt, fair, and reasonable manner;

2. The recipients and uses of all recovery funds are transparent to the public, and that the public benefits of these funds are reported clearly, accurately, and in a timely manner;

3. Recovery funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse;

4. Projects funded under the recovery legislation avoid unnecessary delays and cost overruns; and,

5. Programs meet specific goals and targets, and contribute to improved performance on broad economic indicators.”

---

26 [www.recovery.gov](http://www.recovery.gov)
7 Is the process transparent and accountable?

7.1 Across the country, a mixed record

It is beyond the scope of this report to evaluate the decision-making process in the fifty states and the District of Columbia, and the many Metropolitan Planning Organizations spending ARRA funds. Brief case studies from around the country illustrate the range of transparency in the processes.

Case: Washington State

State process: The Transportation Committee chairs in the legislature created their project list largely behind closed doors and with little evidence of criteria, pushed through legislative approval with little or no stakeholder involvement, and obligated the full amount of transportation money in one fell swoop.

The Result: The allocated funding is heavy on highway projects, especially in outlying areas. No money is being spent on local roads (only on state or interstate projects); and the highly populated Seattle area was left without any of the $75 million in federal aid it was counting on for street improvement projects.

MPO process: In contrast with the state process, the largest MPO, Puget Sound Regional Council, had an open and collaborative process and sought public comment for prioritizing projects and creating its list. The Regional Project Evaluation Committee consisting of local government planners and members of the community met six times between December and March to develop recommendations. Criteria for project selection included a sense of geographic balance, rural as well as urban projects, and the incorporation of a broad array of project types.

The Result: A draft project list was shared with the PSRC’s Transportation Policy Board, a group of elected officials and stakeholders. A final project list was adopted unanimously in March, and includes 20% non-motorized projects, 3% transit, 25% safety and maintenance, 24% complete streets projects, and 28% capacity (freight, general purpose, and other).

It was not the case that the state process was driven by extra urgency; both processes finished at essentially the same time.

Case: Minnesota

MPO process: The MPO for the Minneapolis-Saint Paul region is The Metropolitan Council. The Metropolitan Council’s relevant committee, the Transportation Advisory Board, repeatedly denied requests for public comment as it allocated its portion of STP funds. After pressure from the Minnesota division of the Federal Highway Administration, the Board took public comment on allocating transportation funds for the first time that participants could remember.
The Result: The stimulus funding led to an opening for public participation. The subsequent spending choices do not appear to have been influenced by the input. One group, frustrated both by what it perceived as a unresponsive process and by the Metropolitan Council’s perceived unwillingness to spend funds on mandated Americans with Disabilities Act requirements, has begun legal action.

Case: California

State process: Caltrans released a project list for public disclosure in late 2008. In response, several citizen groups called for more public transit and repair projects. This resulted in an improved Caltrans list; and it also led to three statewide stakeholder phone calls to discuss the formation of state legislation on the spending of expected transportation stimulus funds. Caltrans asked for comment on draft legislation and provided detailed charts on the spending and decision-making processes. Once the process reached the legislature, 30 organizations sent a letter urging legislators to prioritize fix-it-first and also provided mark-ups to the draft legislation originated by Caltrans.

The Result: The legislature was largely responsive to the groups’ arguments and coalition proposals set the tone for debate. The resulting legislation incorporated the arguments put forth by the coalition, and Caltrans accepted those much-improved provisions as well. Furthermore, the public comment and organizational feedback opportunities allowed interested parties to organize offensively and shape discussions throughout the process. In the end, openness led to substantial improvements.

This small set of cases is in no way representative. Rather, it illustrates that there have been state and MPO processes that have fulfilled the goal of transparency, and processes that have not. Although many argue that the ARRA’s speed means that it is a special case, in many ways that speed was simply a test that highlighted the strength of processes that were already strong (Puget Sound Regional Council), pushed others to improve (Caltrans), and highlighted a need for improvement (Washington State and the Metropolitan Council).

7.2 At the national level

At the national level, “transparency” is about being able to find out

1. On what kinds of projects was money spent?

2. Did those projects contribute to progress on one or more national goals?

Neither question is easy or straightforward to answer using currently available data. Several challenges to using the available data were described in “Challenges understanding states’ reporting” in Chapter 5. Smart Growth America retained several respected consultants to review the Section 1511 reports and categorize projects: Mark Stout, the former Assistant Commissioner for Planning and Development at the New Jersey Department of Transportation; and a team from Charlier Associates, Inc. in Boulder, CO, a firm that does transportation planning and consulting for DOTs and MPOs across the
country. This team of transportation professionals required several person-weeks of time to develop the data in this report. They also encountered substantial difficulty in some cases in 1) finding the list of certified projects at all, and 2) understanding the project descriptions. And there is at present no way to tell whether projects are located in “economically distressed areas.”

If transportation planning professionals cannot easily answer the two transparency questions, then the process is not transparent.

Transparency is clearly one key to accountability. But it is only half of the picture. Accountability requires that we know both what states did with the money and what was supposed to be accomplished with the money. In transportation, this is sometimes interpreted narrowly: the money was meant for transit, and it was spent on transit. This however, is a poor version of accountability because transit money, flexible STP money and other monies are provided to accomplish outcomes. For example: did the transit improve access for low-income communities, improve energy security, and provide employers with access to a broader labor pool?

In the case of ARRA’s flexible transportation funds, goals included rapid job creation, long-term economic outcomes, and progress toward a 21st century transportation system. It is worth noting that neither the ARRA nor the normal federal transportation program through which ARRA operates dictates that states and regions spend on projects that produce higher economic returns. US DOT’s “Implementing Guidance” said that “Maximizing job creation and economic benefit” is a “project priority criteria” and “shall be considered during project selection”. But there is no guidance on what is “maximizing economic benefit”, or any penalty for failing to do so. Neither ARRA nor the normal federal transportation program requires states to address their repair backlogs or fill the gaps in public transportation and bike and pedestrian routes. In fact, while both articulate broad goals, neither has any real requirements to evaluate proposed projects against these stated goals in a systematic, comparative or competitive way, nor do they provide any consequence for missing or achieving these goals.

For these reasons, the ARRA and the federal transportation program on which it rests cannot be said to be accountable. No system can be said to be accountable when the goals are not specific, the measures of progress are not clear, and little consequence exists for progressing toward or moving away from these goals.
8 Appendix 1: How ARRA Surface Transportation Program funds are distributed

Adapted from US Department of Transportation, “American Recovery and Reinvestment Act of 2009: Implementing Guidance (Updated April 1, 2009)”.

- Appropriation for STP $27.5 B
  - Less Amounts Allocated Before Apportionment $840 M
    - Remainder Apportioned to States $26.6 B
      - Transportation Enhancements -3%
      - Sub-Allocation for Areas Based on Population -30%
      - For Any Area of State -67%
        - For Individual Urbanized Areas over 200,000 by % of Population
        - For Any Area with Population <200,000
          - For Areas with Population <5000
9 Appendix 2: Apportionments to states

U.S. Department of Transportation, Federal Highway Administration
Apportionment of Funds for Highway Infrastructure Investment Pursuant to the American Recovery and Reinvestment Act of 2009. The totals include the amounts subsequently sub-allocated to MPOs. At [www.fhwa.dot.gov/legsregs/directives/notices/n4510705.htm](http://www.fhwa.dot.gov/legsregs/directives/notices/n4510705.htm).

<table>
<thead>
<tr>
<th>State</th>
<th>Total Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>$ 513,692,083</td>
</tr>
<tr>
<td>Alaska</td>
<td>175,461,487</td>
</tr>
<tr>
<td>Arizona</td>
<td>521,958,401</td>
</tr>
<tr>
<td>Arkansas</td>
<td>351,544,468</td>
</tr>
<tr>
<td>California</td>
<td>2,569,568,320</td>
</tr>
<tr>
<td>Colorado</td>
<td>403,924,130</td>
</tr>
<tr>
<td>Connecticut</td>
<td>302,053,956</td>
</tr>
<tr>
<td>Delaware</td>
<td>121,828,650</td>
</tr>
<tr>
<td>Dist. Of Col.</td>
<td>123,507,842</td>
</tr>
<tr>
<td>Florida</td>
<td>1,346,735,003</td>
</tr>
<tr>
<td>Georgia</td>
<td>931,585,680</td>
</tr>
<tr>
<td>Hawaii</td>
<td>125,746,380</td>
</tr>
<tr>
<td>Idaho</td>
<td>181,934,631</td>
</tr>
<tr>
<td>Illinois</td>
<td>935,592,704</td>
</tr>
<tr>
<td>Indiana</td>
<td>657,967,707</td>
</tr>
<tr>
<td>Iowa</td>
<td>358,162,431</td>
</tr>
<tr>
<td>Kansas</td>
<td>347,817,167</td>
</tr>
<tr>
<td>Kentucky</td>
<td>421,094,991</td>
</tr>
<tr>
<td>Louisiana</td>
<td>429,859,427</td>
</tr>
<tr>
<td>Maine</td>
<td>130,752,032</td>
</tr>
<tr>
<td>Maryland</td>
<td>431,034,777</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>437,865,255</td>
</tr>
<tr>
<td>Michigan</td>
<td>847,204,834</td>
</tr>
<tr>
<td>Minnesota</td>
<td>502,284,177</td>
</tr>
<tr>
<td>Mississippi</td>
<td>354,564,343</td>
</tr>
<tr>
<td>Missouri</td>
<td>637,121,984</td>
</tr>
<tr>
<td>Montana</td>
<td>211,793,391</td>
</tr>
<tr>
<td>Nebraska</td>
<td>235,589,279</td>
</tr>
<tr>
<td>Nevada</td>
<td>201,352,460</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>129,440,556</td>
</tr>
<tr>
<td>New Jersey</td>
<td>651,774,480</td>
</tr>
<tr>
<td>New Mexico</td>
<td>252,644,377</td>
</tr>
<tr>
<td>New York</td>
<td>1,120,684,723</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$26,660,000,000</strong></td>
</tr>
</tbody>
</table>

The States and the Stimulus