



Highlights of [GAO-10-312T](#), a testimony before the Committee on Transportation and Infrastructure, House of Representatives

## Why GAO Did This Study

The American Recovery and Reinvestment Act of 2009 (Recovery Act) included more than \$48 billion for the Department of Transportation's (DOT) investment in transportation infrastructure, including highways, rail, and transit. This testimony—based on GAO report GAO-10-231, issued on December 10, 2009, in response to a mandate under the Recovery Act—addresses (1) the uses of Recovery Act highway funding, including the types of projects states have funded and efforts by DOT and the states to meet the requirements of the act, and (2) the uses of Recovery Act transit funding and how recipients of Recovery Act funds are reporting information on the number of jobs created and retained under section 1512.

In GAO-10-231, GAO continues to examine the use of Recovery Act funds by 16 states and the District of Columbia (District), representing about 65 percent of the U.S. population and two-thirds of the federal assistance available through the act. GAO also obtained data from DOT on obligations and reimbursements for the Recovery Act's highway infrastructure and public transportation funds. GAO updates the status of agencies' efforts to implement previous GAO recommendations to help address a range of accountability issues as well as a matter for congressional consideration. No new recommendations are being made at this time. The report draft was discussed with federal and state officials, who generally agreed with its contents.

[View GAO-10-312T](#) or [key components](#).

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## RECOVERY ACT

### States' Use of Highway and Transit Funds and Efforts to Meet the Act's Requirements

#### What GAO Found

Three-quarters of Recovery Act highway funds have been obligated, and reimbursements from the Federal Highway Administration (FHWA) are increasing. As of November 16, 2009, \$20.4 billion had been obligated for just over 8,800 highway projects nationwide and \$4.2 billion had been reimbursed nationwide by FHWA. States continue to dedicate most Recovery Act highway funds for pavement projects, but use of funds may vary depending on state transportation goals. Almost half of Recovery Act highway obligations nationally have been for pavement improvements—including resurfacing, rehabilitating, and reconstructing roadways. About 10 percent of funds has been obligated to replace and improve bridges, while 9 percent has been obligated to construct new roads and bridges. States are taking steps to meet Recovery Act highway requirements; for example, both state and federal officials believe the states are on track to obligate all highway funds by the March 2010 1-year deadline. However, two factors may affect some states' ability to meet the requirement. First, many states are awarding contracts for less than the original cost estimates; this allows states to have funds deobligated and use the savings for other projects, but additional projects must be identified quickly. Second, obligations for projects in suballocated areas, while increasing, are generally lagging behind obligations for statewide projects in most states and lagging considerably behind in a few states. In the weeks ahead, FHWA and the states have the opportunity to exercise diligence to both promptly seek deobligation of known savings and to identify projects that make sound use of Recovery Act funding.

The Federal Transit Administration reports that the majority of transit funds have been obligated. As of November 5, 2009, almost \$6 billion of the \$6.9 billion appropriated for the Transit Capital Assistance Program had been obligated nationwide. Almost 88 percent of these obligations are being used for transit facilities, bus fleets, and preventive maintenance. The remaining funds are being used for rail car purchases, leases, and training, among other things—all of which are eligible expenses. Through our ongoing audit work, GAO continued to find confusion among recipients about how to calculate the numbers of jobs created and saved that is required by Recovery Act reporting requirements. First, a number of transit agencies continue to express confusion about calculating the number of jobs resulting from Recovery Act funding, especially with regard to using Recovery Act funds for purchasing equipment, such as new buses. The second area of confusion GAO found involved the methodology recipients were using to calculate full-time equivalents for the recipient reporting requirements. For example, in one state, four transit entities used a different denominator to calculate the number of full-time equivalent jobs they reported on their recipient reports for the period ending September 30, 2009. In its September 2009 report, GAO recommended that DOT continue its outreach to transit agencies regarding reporting requirements and provide additional guidance, as appropriate. DOT officials stated that they are continuing outreach to transit agencies and will continue to assess the need to provide additional information.