American Recovery and Reinvestment Act of 2009 (ARRA)
Section 1201(c) Report—Terms and Definitions

The column headings in the attached table match the various terms listed in section 1201(c) on which grant recipients must report to the U.S. Department of Transportation (DOT). Some terms do not have common definitions. To guide the reporting, DOT has developed standard meanings, which are presented below. Because of differences in the design of DOT's Recovery Act programs (formula versus discretionary grants, for example), some terms may have more than one meaning. The information is organized according to three general areas: project name and funding status, employment, and State funding.

Data gathered in this report come directly from grantees and may not be consistent with other data sources due to timing differences. Section 1201(c) requests that grant recipients submit the required information to DOT. This report includes data from all five DOT modal Administrations that have made grant awards under the Recovery Act as well as the Office of the Secretary of Transportation (which administers the Transportation Investment Generating Economic Recovery (TIGER) grants). In the case of the Federal Railroad Administration's (FRA) High Speed Inter-city Passenger Rail (HSIPR) Program, all but four project grants that had been announced have been obligated. Those projects with obligations made before the cutoff date are included in this report.

PROJECT AND FUNDING STATUS

Amount Awarded represents the amount made available by DOT for use by the award recipient.

Award Recipient is the entity that receives ARRA grant funding directly from DOT. In the case of the Highway Investment Grants program, the Federal Highway Administration (FHWA) has provided most funding to States by formula. For Federal Aviation Administration (FAA) capital grants, airport authorities receive funding via discretionary grants from the FAA. For transit grants, award recipients are typically local or regional transit authorities that receive funding through either formula or discretionary grant programs from the Federal Transit Administration (FTA). The FRA's HSIPR grants were awarded primarily to regional rail authorities, State DOTs, or Amtrak. TIGER grants, by their nature, were awarded to a variety of State and local entities.

Funds are typically **Committed** by a grantee when a contract is awarded by a grant recipient to a contractor (and the grant recipient is legally bound to make future expenditures) or a decision is made by the grant recipient to undertake the work in-house (using its own employees). From the recipient's perspective, a number of events can represent such a commitment. As examples of the types of funding commitments, a commitment can occur when (1) an airport has obtained a bid for an approved FAA project and signed the contract based on that bid; (2) a firm decision is made by a transit operator to undertake the project or a portion of it using its own employees (i.e., "in-house") rather than contracting for the work; or (3) a State DOT commits ARRA funds to a highway project through the State and local planning process, in advance of registering the decision through a transaction that registers an obligation by the Federal government. Note that the Federal Government does not record commitments per se through its grants and financial systems. Rather, it tracks Federal obligations, which are not necessarily the same as commitments made by grant recipients.

Contracts Awarded represent the subset of all award actions where a contract is used as the vehicle to perform the project work. The contract award represents the point where grantees solidify their commitments. Contracts awarded are cumulative of all American Recovery and Reinvestment Act contracts awarded since February 17, 2009.

Contracts Completed are based on the State or other grant recipient reports of 100 percent completion. For projects in this category, it is possible that final bills are still being processed to completion.

Contract Solicitations represent the subset of all award actions where bids are solicited in advance of awarding contracts. Bids may not be necessary when an award may be made from an existing contractual arrangement or when in-house work is being performed. 'Contract Solicitations' are cumulative of all American Recovery and Reinvestment Act contracts out to bid since February 17, 2009.

Contracts Under Way are the subset of all award actions that are actively progressing after bids have been let and funds awarded. For example, projects are considered underway when orders are placed for materials or work is commenced at the worksite. Contracts under way are cumulative of all American Recovery and Reinvestment Act contracts initiated since February 17, 2009.

Outlays are the amount of funds that have been disbursed by Federal programs to grant recipients. For highway infrastructure investment, the total expenditure comes from the Fiscal Management Information System (FMIS) when States file to draw down obligated funds. There can be a one- to two-month lag between when funds are spent in the field and when Federal outlays are recorded. This is due to the time required to receive final invoices from contractors and for the States to enter data into FMIS. For the other programs, the expenditures are reported by the grant recipient as an expenditure on a contract or as in-house work that carries out projects or procurements funded by the award.

EMPLOYMENT

Employment reporting for the 1201(c) report uses job-years as the measure of employment. A job-year is the equivalent of one person working one year. Grant recipients report job-hours and DOT then calculates the number of job-years based on the reported number of job-hours. DOT staff also reviews the reported job-hour data for possible errors and makes corrections after consultation with the grant recipients. A job-year is defined as the number of job-hours divided by 2,080 (40 hours per week for 52 weeks). Using the job-year methodology, two people working half time or one person working full time produce the same number of job-years. The DOT jobs data combine jobs created with jobs sustained.

Direct Jobs information is based on recipient reports on hours worked provided by contractors or direct employment measured by grantees. Direct jobs include onsite employment and others whose work is billed to a particular project, such as managers and engineers.

Indirect Jobs and **Total Employment** are estimated based on the total level of outlays reported by grant recipients. Indirect jobs are jobs associated with producing materials and services provided to the job site, and total employment includes direct and indirect jobs as well as "induced" jobs in the general economy that are created as the direct and indirect workers spend their income. The DOT directed grant recipients not to estimate indirect jobs. The DOT instead uses an input-output model to estimate indirect jobs to avoid having individual grant recipients design methods and report their estimates. Total employment is estimated based on a methodology developed by the Council of Economic Advisers. That methodology assumes that one job-year of total employment results from a direct Federal expenditure of $92,000, so total employment is estimated by taking total outlays and dividing by $92,000.

The different methodologies used to estimate different kinds of jobs each have their own advantages and disadvantages. The structural macroeconomic models, for example, that the Council of Economic Advisers used to estimate that each $92,000 of expenditure creates or sustains one job, take into account the indirect effect of increased spending on raising wage rates in the economy and hence modestly reducing other forms of employment. The input/output models we use to estimate indirect jobs do not take these indirect effects into account. On the other hand, the input/output models provide much more precise industry-specific estimates of employment effects than macroeconomic models, which make estimates for employment economy-wide.

The exact timing of our job estimates is also affected by the reporting procedures of DOT's different modal administrations. The Federal Aviation Administration, for example, instructs airports to report direct jobs based on valid invoices, while the Federal Transit Administration instructs grant recipients to report direct jobs regardless of whether they have been invoiced. In general, the Department treats an outlay as having occurred when the work has been done, the contractor has been paid by the grant recipient, the grant recipient has requested reimbursement from the Department, and the grant recipient has actually been reimbursed by the Department. There is thus some delay between when the work is actually done and when the outlay is recorded. Since the estimates of indirect jobs and total employment are based on records of outlays, the delay between when the work is actually done (and when the direct job-hours are recorded as having been worked) and when the indirect and induced jobs are recorded can create some lack of synchrony between the timing of the direct jobs and the timing of the indirect and induced jobs. However, this kind of disjuncture in timing of the different kinds of jobs can take place for reasons entirely independent of the artifacts of job reporting. The work needed to produce material inputs for a construction project may have taken place months before the materials were actually purchased and used. Alternatively, when demand for materials draw down inventories, the work required to replace those inventories may take place months after the construction work takes place. Similarly, consumer expenditures made by employees on a Recovery Act project (and hence induced jobs) may take place months or years after the work is done and the income earned. As a result, there is inevitably a great deal of uncertainty about the timing of indirect and induced jobs relative to that of direct jobs.

STATE FUNDING

These data were used to measure maintenance of effort by ARRA grant recipients, particularly States. **Planned** funding refers to the dollars (from state sources only) that the grant recipient had planned (as of February 17, 2009) to expend for the types of projects funded by the American Recovery and Reinvestment Act during the period from February 17, 2009, to September 30, 2010. **Actual** funding refers to state-source expenditures by Recovery Act grant recipients that occur during the reporting period. Both planned and actual funding information were reported by the grant recipients to DOT.

Only the planned and actual expenditure amounts reported by States for each covered program were relevant to whether states met the section 1201(a) maintenance-of-effort requirement. The State level reports cover all planned state expenditures and thus include any amounts attributable to ARRA grantees of less than statewide jurisdiction. The information reported by each State was used to determine whether a state was eligible to participate in the redistribution of limitation on Federal Aid highway and highway safety funding during August 2011, as specified by section 1201(b) of the Recovery Act.