

REVIEW OF PROPOSED AMERICAN JOBS ACT OF 2011
AND IMPACT ON DESIGN PROFESSIONALS

On September 12, 2011, President Obama submitted a proposal to Congress entitled the “American Jobs Act of 2011” (“Act”).

The Act proposes, amongst other items, to provide tax cuts for small businesses, create job opportunities, and extend unemployment benefits.

Importantly, for the design professional industry, the proposed Act desires to produce construction focused on schools and infrastructure. Below is a summary of project funding opportunities that may be applicable to design professionals, if the Act is passed, in whole or in part.

Elementary and Secondary Schools – Section 221-228

The purpose of this part of the Act is to provide funding assistance for the modernization, renovation, and repair of elementary and secondary schools in America. There would be \$25 billion appropriated to achieve these tasks. Although applicable to private schools as well, in a limited fashion, the focal point of the section is on the American public school system, and energizing growth and renovation in districts where poverty is more prominent.

One criterion by which state applications for grants are judged is if the state will give priority to practices that utilize LEED, Energy Star, the CHPS Criteria, Green Globes, or a similar program.

Immediate Transportation Infrastructure Improvements – Section 241

This section encapsulates the numerous potential chances for growth for design professionals through the Act; a summary is below.

- \$2 billion for airport improvement grants;
- \$1 billion to conduct research and development and improve Federal Aviation Administration air navigation systems and facilities;
- \$27 billion for highway restoration, repair, and construction projects, as well as passenger and freight rail transportation projects; this includes, but is not limited to, Puerto Rican and territorial highways, park roads and parkways, and forest highways;
- \$4 billion for existing intercity passenger rail network and also to develop new high speed rail corridors;

- \$2 billion to Amtrak, with priority given to the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity;
- \$3 billion for transit capital projects;
- \$6 billion to modernize existing fixed guideway systems and to replace and rehabilitate buses and bus facilities;
- \$5 billion for capital investments in surface transportation infrastructure; this includes, but is not limited to, certain highway or bridge projects, including bridge replacements, seismic retrofit projects for bridges, and road realignments.

American Infrastructure Financing Authority – Section 245-259

This section creates the American Infrastructure Financing Authority (“AIFA”). A wholly-owned government corporation, it will provide loans and loan guarantees to encourage investment in infrastructure projects of regional or national significance. These projects include the transportation, water, and energy sectors. With the exception of rural projects, the eligible projects are those reasonably anticipated to equal or exceed \$100 million in cost (eligible rural projects are those that equal or exceed \$25 million in cost). AIFA has a \$10 billion budget for the first two years of its existence, \$20 billion for years three-nine, and \$50 billion per year after the ninth year of operations. There are multiple considerations that AIFA has when considering to grant an application, but a select few are: contributing to regional or national economic growth, value to taxpayers, clear and significant public benefit, job creation, and the mitigation of environmental concerns.