



U.S. Department
of Transportation

**Federal Highway
Administration**

Memorandum

Office of Professional and Corporate Development

Subject: SAFETEA-LU implementation
Section 5204(e)
State Core Program Funds for Workforce Development

Date: Jan. 11, 2006

From: Joseph S. Toole
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Reply to: HPC-1

To: Associate Administrators
Directors of Field Services
Resource Center Managers
Division Administrators

Section 5204(e) of SAFETEA-LU (copy attached) provides discretionary authority for the states to use funds from five primary core programs to support training, education, and workforce development (STP, NHS, Bridge, IM, CMAQ). The new language significantly expands the scope and type of activity for core program funds for workforce development compared to the more limiting provisions of TEA-21. Section 5204(e) also allows for 100% federal funding if the core funds are used for education, training or workforce development purposes. Attached is a series of questions and answers that will help clarify how core program funds can be used to support training, education and workforce development.

It is recognized that there are no “new funds” associated with these provisions and that spending program funds on training and development means less is available for capital projects. However, many States are facing serious workforce issues that adversely affect many aspects of their program, and addressing those human capital issues may make Section 5204(e) more attractive. Further, we would hope that these provisions are viewed as complementary to the goals of these five program areas rather than competing with them. In this spirit, we would ask the Divisions to make their state’s senior management aware of the Section 5204(e) provisions and determine if this new authority could benefit the state’s workforce development efforts. I would also welcome any comments you may have concerning these new workforce provisions including how they can benefit training and workforce development in your state, and how OPCD can be of help to you and your state DOT in the critical area of workforce development.

