

**Guidance for
Use of Federal Aid State Core Program Funds for
Training, Education and Workforce Development
SAFETEA-LU Section 5204(e)
Questions and Answers**

These questions and answers are intended to provide information and guidance for the application of the Section 5204(e) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) as an assist to the FHWA Divisions and state departments of transportation in their efforts to enhance transportation workforce development.

Section 5204(e) of SAFETEA-LU allows funds from five core programs to be used for workforce development activities including employee education and training, and for programs to develop the future transportation workforce through career outreach and preparation. The five core programs are the Surface Transportation Program (STP), National Highway System (NHS), Interstate Maintenance, Bridge Program, and Congestion Mitigation/Air Quality (CMAQ). Program funds used for training, education and workforce development activities receive 100% federal funding.

Why was Section 5204(e) included in SAFETEA-LU?

The Transportation Research Board estimates that approximately 50% of the state transportation agency workforce will be eligible to retire within the next 10 years. According to the Department of Labor, the labor growth rate has declined from a high of 2.6% in the 1980's to a projected rate of 1.2% from 2000 to 2015, and an expected growth rate of only 0.2% from 2015 to 2025. As the labor shortage becomes more pronounced, so to will the competition for workers from all industries. Those industries that invest in developing their next generation of workers will be in a better position to compete for the smaller labor pool. Section 5204(e) will also provide a greater opportunity to develop the current transportation workforce. As transportation demand continues to grow faster than available resources, the ability to apply innovative technologies, processes and management principles through a skilled, technically competent workforce will provide the greatest return on investment for the transportation industry. The core fund workforce development provisions enhance the states' ability to prepare individuals for transportation careers, and to develop current employees including those with management, technical and vocational job responsibilities.

How do these provisions change what was allowed in TEA-21?

TEA-21 allowed the states to use up to ½ of 1% of Surface Transportation Program funds for employee training and included a 20% state matching requirement. The SAFETEA-LU provisions supersede TEA-21 and the more limited STP provisions by providing for 100% funding for workforce activities, extending eligibility for workforce development activities to the five core programs, and by not limiting the amount of funding available from each program. The SAFETEA-LU language also expands the types of eligible activities beyond training and education for employees to “pipeline” programs that will help students prepare for transportation careers.

What is the significance of the 100% federal funding provision?

SAFETEA-LU provides for 100% federal funding if the core program funds are used for training, education, or workforce development purposes including “pipeline” activities. If used for these purposes, it is not necessary for the state to match the federal funds. The 100% funding provision is an indication of the continuing interest in transportation workforce development and provides for enhanced opportunities for the states to invest in employee professional development and student transportation career preparation.

What are some examples of “pipeline” programs that the core funds could be used to support?

Funds may be used for “education activities, including outreach, to develop interest and promote participation in surface transportation careers.” Funds may also be used for activities associated with “student transportation career preparation.” This could include, but not necessarily be limited to, student transportation related internships; cooperative education programs, university and college support activities, scholarship programs, and other efforts associated with transportation career outreach or that will help students prepare for a career in transportation. Funds could also be used for student outreach and internships associated with a particular project such as the T-REX project in Colorado.

How can the funds be used for employee education, training and professional development?

The core program funds can be used for a wide range of professional development activities that include training programs, academic course study, apprenticeship programs, and support for short-term work details or “rotational” assignments for the purpose of employee development. The core program funds may not be used to pay any portion of employee salaries. Core program funds could also be used for employee training and professional development that is necessary to support a specific surface transportation capital project, such as a major roadway or bridge construction project.

Can the core program funds be used for travel, equipment or materials purchases?

The funds can be used for travel, equipment or materials purchases, however the travel or equipment/materials purchase must be directly related to a defined employee training or professional development need, program or activity, or directly associated with a student transportation career awareness or preparation activity. The travel or equipment/material purchase must be used in primary support of the employee training or professional development, or student career activity. Travel to and from an industry meeting where training was one of several topics of discussion would not qualify for use of core funds. However, core funds could be used to support employee travel to and from a training or professional development program designed to improve the employees’ skill, knowledge or abilities in surface transportation management or a technical discipline i.e. travel to a National Highway Institute or other industry training and professional development program.

In the “pipeline” area for example, bus transportation for students to participate in a transportation career awareness or development program, such as Construction Career Days would also be eligible. Materials used to support student transportation programs such as the American Association of State Highway and Transportation Officials (AASHTO) TRAC Program and the Associated General Contractors’ (AGC) “Build Up” programs are just two of many types of programs and materials that could be paid for by core funds in support of student transportation career development.

Can the core program funds be used as matching funds for other federal programs such as the Local Technical Assistance Program (LTAP) or the University Transportation Centers (UTC)?

No. Federal funds cannot be used to match federal funds unless specifically provided for in statute and there is no provision in SAFETEA-LU or other statute that allows the core program funds in Section 5204(e) to be used as matching funds.

Are there any restrictions on the use of CMAQ or Transportation Enhancement (TE) funds for workforce development and training programs?

With the continuing emphasis on environmental issues and FHWA’s commitment to develop sound environmental policy, should a state or local government choose to use CMAQ or TE funds for workforce development or training purposes, the funds should be directed to activities related to the CMAQ or the TE program area, respectively.

How do the workforce provisions affect the funding available in the core programs?

The use of core program funds for workforce development is discretionary. This allows states the flexibility to determine whether they want to invest these funds in projects or programs directed at addressing their workforce needs. While the use of core funds for workforce development will reduce the funds available for capital projects, the investment will help assure transportation workers have the skills and knowledge they need to be efficient and effective in their work, and to apply new and innovative technologies. In this way, the use of core funds for workforce development will not compete with core program activities, but, in fact, will be an important complement to those programs and as a support to the states’ overall transportation mission.