TAMING THE TIGER

A comparative & constructive critique of 10 years of USDOT’s BUILD program
Trump’s USDOT turns innovative grant program into another roads program

Under President Trump, the U.S. Department of Transportation has effectively turned the formerly innovative BUILD program, created to advance complex, hard-to-fund projects, into little more than a rural roads program, dramatically undercutting both its intent and utility.

**Acknowledgements:**
This short paper was primarily written by Sean Doyle, based on research compiled by Alex Beckmann, with contributions from Beth Osborne and Scott Goldstein for Transportation for America, and additional research, design and contributions from Jordan Chafetz and Stephen Lee Davis for Smart Growth America. This paper was first published as a series of blog posts on t4america.org in April 2019.

**Transportation for America** is an alliance of elected, business and civic leaders from communities across the country, united to ensure that states and the federal government step up to invest in smart, homegrown, locally-driven transportation solutions — because these are the investments that hold the key to our future economic prosperity. [t4america.org](http://t4america.org). **Transportation for America is a project of Smart Growth America.**
TAMING THE TIGER: ANALYZING 10 YEARS OF THE BUILD PROGRAM

The Better Utilizing Investments to Leverage Development (BUILD) program has been one of the most popular and impactful transportation programs in the federal arsenal. Conceived during the first few months of the Obama administration at the height of the financial crisis in 2009, the program originally bore the name TIGER: Transportation Investments Generating Economic Recovery. This unique program was powerful precisely because of how it differed from most other federal transportation programs:

The program is uniquely popular because of its flexibility.

Funds can be awarded to any public entity—like a city government, public university, or tribal government—and can fund almost any kind of transportation project—roads, bridges, transit, freight, ports, bike, pedestrian, or any combination—in a wide variety of contexts. Given that most federal transportation programs award funding to state DOTs and restrict funding to one particular mode, the BUILD program has provided a much needed avenue for local entities to finance multimodal or complicated projects that cross numerous jurisdictional lines.

The program’s competition resulted in projects with greater benefits.

Unlike nearly all federal transportation dollars that are awarded automatically by formulas based on population, lane-miles, or other simple criteria, USDOT awards BUILD funding based on the extent to which projects improve safety, state of repair, economic competitiveness, quality of life, and environmental sustainability. If you have a great project that’s multimodal, crosses city lines, and includes multiple partners, BUILD is an opportunity to fund it—and often the only way to do so with direct federal resources. Over the 10 rounds of the program so far, USDOT received more than 8,443 applications from all 50 states and U.S. territories requesting more than $156 billion in funding.¹

Empowering local communities and innovative projects

Between February 2004-September 2005, five people walking were hit by vehicles at the University of Illinois Urbana-Champaign (three of those crashes were fatal) which prompted a study of safety improvements. That study ultimately recommended new street designs for a few major corridors in and around the university known as the Multimodal Corridor Enhancement Project, or MCORE. The plans called for implementing Complete Streets with new traffic configurations, bus-only lanes and upgraded bus stops, the addition of bike lanes, and shorter crosswalks with pedestrian islands that give people walking a refuge mid-crossing and help slow down vehicles.

MCORE was highly collaborative. It involved the cities of Urbana and Champaign, the local transit agency (MTD), and the University of Illinois working in partnership with Illinois DOT which owns the roads. To get the project going, the local community was able to raise $32 million with both cities, MTD, and the university contributing substantial sums. But that wasn’t quite enough to cover the full $47 million price tag. TIGER was one of the only options available to close the funding gap for this multimodal, multi-jurisdictional project.

After two previous attempts to win funding, MTD was awarded a $15.7 million TIGER grant for MCORE in 2014. According to Karl Gnadt, managing director at MTD, the chances of this critical safety project happening without federal support were exactly “zero.”

¹ The exact amount is $156,820,582,750 https://www.transportation.gov/policy-initiatives/build/tigerbuild-application-list
The program encouraged more non-federal investment in transportation. Since 2009, the program has awarded nearly $7.1 billion to 554 projects across the nation, leveraging billions more in non-BUILD funding. Over the first eight rounds, on average, projects attracted more than 3.6 additional, non-federal dollars for every TIGER grant dollar.

However, since the Trump administration has taken over the program, the focus has shifted.

A program which once heavily funded multimodal, transformative projects of regional and national significance which would otherwise be difficult to fund is now focused on expanding road capacity with an extreme bias for projects in rural areas. By comparing the projects selected for funding over the last 10 years and their level of funding, we identified four dramatic shifts in the program.

#1: More roads, less multimodal

In the two most recent rounds of TIGER/BUILD awards—the first two years the program was managed by the Trump administration—only about 10 percent of funding went to transit projects. This is a big departure from the previous eight years when transit projects received between 28 and 40 percent of funding. Conversely, the share of funding dedicated to traditional road projects has grown to all-time highs; in 2018, road projects—most of which are eligible to receive normal formula dollars from their state—received more than 60 percent of the funding for the first time, after hovering below 30 percent for years.
While the name of the program may have been changed to BUILD in 2018, the congressional intent did not. The small amount of funding for multimodal projects is inconsistent with the law which directs USDOT to invest “in a variety of transportation modes.” TIGER was created in part because most federal transportation dollars are already focused on roads via the highway formulas.

If a road project didn't rank high enough to be funded from a state’s share of the $42 billion guaranteed to be spent annually from the Highway Trust Fund, it likely isn't essential and shouldn’t displace other more creative projects that can't be funded through conventional federal transportation programs.

"If a road project didn’t rank high enough to be funded from a state’s share of the $42 billion guaranteed to be spent annually from the Highway Trust Fund, it likely isn’t essential and shouldn’t displace other more creative projects that can’t be funded through conventional federal transportation programs."

CREATE: A project of national and regional significance

TIGER I provided $100 million to a series of 70 rail infrastructure improvements and related projects in the Chicago region collectively known as CREATE. Chicago is the nation’s busiest rail hub—handling a quarter of the nation’s freight rail traffic each day. But the region’s rail network was built a century ago and wasn’t designed for the volume it handles today. For example, “an average rail car that may take as little as 48 hours to travel the 2,200 miles from Los Angeles to Chicago spends an average of 30 hours traversing the Chicago region.”

CREATE aimed to address a national bottleneck that severely hampered the ability for freight and passengers to move through the region while improving safety and reliability of the system. While many of the projects are still ongoing, 30 of CREATE’s 70 projects have been completed and 10 more are in the final design or construction phase. TIGER provided a much needed infusion of funding for this project that will benefit communities—both urban and rural—for decades to come.

1 http://www.createprogram.org/about.htm

A new rail flyover at 63rd and State in Chicago that eliminated an at-grade crossing as part of the CREATE project, bringing benefits to urban and rural communities alike across the region, state, and country. Photo by Mark Llanuza.
#2: More capacity, less repair

A closer look at the road projects selected over the years shows that the Trump administration has focused more heavily on capacity expansion (i.e. new roads and road widenings) versus repair and bridge replacement. The first year of BUILD (round X) set two records: not only was a record share of total funding devoted to roads, a record percentage of that funding (70 percent) was dedicated to capacity expansion.

While policymakers of all stripes echo the constant refrain of “repairing our crumbling roads and bridges,” the Trump administration has prioritized doing the exact opposite with the BUILD program, largely opting to build new infrastructure (increasing the amount of infrastructure that needs to be maintained) rather than focusing on caring for our existing assets.
#3: More rural, less urban

The past two years of awards have disproportionately favored rural areas. While rural areas certainly deserve transportation investments, they should be proportional. The U.S. Census Bureau found that in 2016, approximately 19 percent of Americans lived in rural areas while 81 percent of Americans lived in urban areas.\(^3\) Reflecting where most Americans live, during the first eight years of the TIGER program (2009-2016) projects in urban areas received, on average, 75 percent of funding. Yet in the past two rounds of the program, projects in urban areas have only received an average of 33 percent of funding.

When providing BUILD funding in the last two appropriation bills, Congress directed USDOT to fund projects in rural and urban areas "to ensure an equitable geographic distribution of funds."\(^4\) Disproportionately awarding grants to projects in rural areas is hardly equitable and is inconsistent with the intent and letter of the law.

Critics often complained during the earlier years of the program that it was too urban-focused based solely on the location of the chosen projects. However, many projects classified as urban were actually projects of national significance that have great utility for and would benefit rural areas. For example, Port of New Orleans Rail Yard Improvements were funded during TIGER II “to reduce congestion, facilitate the movement of marine and rail cargo, stimulate international commerce, and maintain an essential port.”\(^5\) This project brings immense benefits for the city, the rural areas around it, and the country even though it was classified as an “urban project.” It creates jobs in New Orleans at the port and moves exports like poultry, paper, and pulp to market, a critical need for farmers and manufacturers across the country.

While the Trump administration has made investment in rural communities a key talking point, USDOT’s project selection reflects a very narrow and overly simplistic understanding of what can actually help those communities. Projects that get goods from rural America to market are left off the table just because they might be located in an urban area.

---

\(^3\) Defined as living outside of an urbanized area boundary.

\(^4\) See Public Laws 115-141 (https://www.congress.gov/bill/115th-congress/house-bill/1625) and 115-31 (https://www.congress.gov/bill/115th-congress/house-bill/244/text). See also the FY18 BUILD NOFO published in the federal register on April 27th 2018: “DOT must take measures to ensure...an appropriate balance in addressing the needs of urban and rural areas.”

#4: More funding for state DOTs, less for anyone else

One of the greatest strengths of the BUILD program is that it’s one of the few ways for local governments (or any public entity) to directly receive transportation funding from the federal government to advance their own priority projects, without having to go hat-in-hand to the state. If a municipality or public transit agency conceives of a great project that ticks the required boxes under the law—and if they can identify a local matching contribution—BUILD funding is an option.

Most other federal transportation funds are directed to and controlled by state DOTs. (A smaller share goes to regional metropolitan planning organizations.) As most mayors or other local elected leaders know from firsthand experience, a state DOT’s priorities for spending within their community’s borders are often not the same.

Under the Trump administration, more funds have been going to state DOTs—an average of 37.5 percent awarded to state DOTs compared to 28 percent under the Obama administration.  

The BUILD program’s greatest strengths lie in its differences from other federal transportation funding programs, which should be reinforced, rather than made to award funding to the same kind of projects as the core federal transportation programs. While the program has the potential to continue to fund great projects, it will only do so if Congress stays diligent and ensures that USDOT executes the program as intended. TIGER is not a roads program, it is not a rural funding program, and it is not another vehicle for funneling more money without any accountability to state DOTs.

TIGER/BUILD funding levels

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIGER I (2009)</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>TIGER II</td>
<td>$600 million</td>
</tr>
<tr>
<td>TIGER III</td>
<td>$527 million</td>
</tr>
<tr>
<td>TIGER IV</td>
<td>$500 million</td>
</tr>
<tr>
<td>TIGER V</td>
<td>$474 million</td>
</tr>
<tr>
<td>TIGER VI</td>
<td>$600 million</td>
</tr>
<tr>
<td>TIGER VII</td>
<td>$500 million</td>
</tr>
<tr>
<td>TIGER VIII</td>
<td>$500 million</td>
</tr>
<tr>
<td>TIGER IX</td>
<td>$500 million</td>
</tr>
<tr>
<td>BUILD I</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>BUILD II (2019)</td>
<td>$900 million</td>
</tr>
</tbody>
</table>

6 The first round of TIGER heavily favored state DOTs, given that they were the agencies most likely to have the capacity to produce applications for such a new program on a tight timeline. If you eliminate this first round from the calculation, the average during the Obama administration drops to 25 percent, compared to 37.5 percent for the two rounds under the Trump administration.
Recommendations to improve BUILD

Eliminate the $25 million cap on awards.
Even though the program is now larger (average of $967 million during Trump administration) than it was in most years ($596 million per year on average during the Obama administration), the most recent appropriations bill included a $25 million cap on BUILD grant awards. This has the unintended consequence of making it more difficult to advance innovative, multimodal, and far more transformative or nationally significant projects. For such projects, $25 million simply isn’t enough. The maximum award of $25 million was an informal practice established by USDOT early on when the program was funded at substantially lower levels, in order to help them equitably distribute a small amount of funds across the country, as mandated by Congress. However, with Congress providing larger amounts of funding for BUILD, this unnecessary cap serves only to limit the program’s ability to support larger projects that also bring more benefits.

As mentioned in the sidebar in the first section, the huge, nationally significant CREATE program in Chicago received $100 million. A cap at $25 million would have drastically reduced the benefits and slowed down the project. Some large projects are worth a greater share of the funding.
Award planning grants, particularly for transit-oriented development and transit projects.
While recent appropriations bills have made planning grants eligible for funding, no such grants have been awarded. Many local communities desire investments in transit, transit-oriented development, and other multimodal infrastructure, but lack the resources or expertise to adequately plan for such investments.

Congress authorized planning grants within TIGER/BUILD four times—in 2010, 2014, 2018, and again in 2019, and USDOT awarded a combined 64 planning grants in 2010 and 2014. These grants helped local communities advance projects that were ultimately funded by a subsequent TIGER/BUILD construction grant, or other sources. For example, the 2014 funding of the San Francisco Bay Area Core Capacity Transit Study helped enable the advancement of the Transbay Corridor Core Capacity project in the transit capital program. In Indiana, another 2014 planning grant helped locals to advance the Red Line BRT project which successfully received funds from the transit capital program and is currently under construction.

Innovative projects can struggle to get off the ground because transportation agencies can be hesitant to spend money on planning a project if there isn’t going to be any funding available to build it. But a program like BUILD can’t fund the capital costs for a project if no basic planning has been done. That’s why these BUILD planning funds are so important. USDOT should use its authority to make planning awards where appropriate, and Congress should also encourage USDOT to use this authority as well.

Strengthen requirements for modal parity.
This administration has made a dramatic shift to use the BUILD program to fund traditional road projects which can already be easily funded without restriction through a variety of conventional federal programs. This misuse of the program should prompt Congress to strengthen requirements to allocate funding to multimodal projects, including transit and passenger rail. Alternatively, Congress should consider dedicating more trust fund money to these modes if BUILD funding is not going to be made available to them.

Require a more equitable urban/rural funding split.
Congress should make clear that a more equitable urban-rural split is appropriate and provide more clear guidance to USDOT about how they are expected to consider the needs of both urban and rural America. Currently, USDOT awards grants to either urban or rural projects, with a set-aside for rural projects. This creates a false choice between the two.

For example, the CREATE project in Illinois, which will relieve freight rail bottlenecks and allow goods to more easily move to market through the country, is considered an “urban” project. This, despite the fact that about 25 percent of rail traffic in the United States travels through the Chicago region, and farmers and businesses from rural areas will benefit from reduced freight congestion. The benefits of an urban or rural project are not limited only to the jurisdiction where construction will take place. USDOT should consider the full impact of a project, on both urban and rural areas when determining a project’s classification.
Authorize the BUILD program in long-term transportation policy.
The TIGER/BUILD program stands out as the only major federal transportation program that has not been authorized by the FAST Act and previous authorizing legislation, leaving its fate in limbo each year. While Congress has continued to fund it through the annual appropriations process, authorizing the program over multiple years at $1.5 billion annually would provide some certainty to potential applicants and allow Congress to establish more policy guardrails to ensure it operates as intended.

Many of these recommendations currently have support in Congress. In particular, 20 members of Congress recently signed a letter led by Representative Mark DeSaulnier (CA-11) to USDOT expressing concern about how they have been facilitating the BUILD program. That letter endorsed some of these recommendations.

BUILD has long been a bipartisan winner because it’s so flexible

It gives communities a unique opportunity (and in some cases the only opportunity) to win direct federal assistance for a priority transportation project that would otherwise be hard or impossible to fund. However, the dramatic shift in focus underway at USDOT seriously undermines the utility of the program by directing dollars away from innovative, multimodal projects and heavily favoring conventional road projects that can be more easily financed. The recommendations above will help Congress keep TIGER roaring (or BUILD building) as the program enters its second decade.

How BUILD can help improve the federal transportation program

Analyzing 10 years of awarding transportation funds competitively through the TIGER/BUILD program illuminates three simple principles that should help guide reform of the federal transportation system.

The federal transportation program is in need of a major overhaul.

America today is very different than the America of the 1920s. The interstate highway system as envisioned is now complete, new technology is changing the way people move almost daily, there is far greater awareness of the social impacts of car-focused transportation, and climate change is an urgent threat and transportation is the largest source of greenhouse gas emissions.

But the most glaring shortcoming is the total absence of a broader vision of what today’s program should accomplish tomorrow. While Congress has made small tweaks here and there over last few decades, the program as a whole largely fails to meet the needs of the modern day and the basic goal of the program is not clear. Its initial purpose was to build out the interstate system but that has been completed. What now? Is the purpose to keep the current system in a state of good repair? Reduce fatalities on our roadways by half? Ensure that Americans have access to the majority of regional jobs by car and transit?

8 The letter from Rep. DeSaulnier is available at https://drive.google.com/file/d/1vPJc7PVAyfKZIUYyCEVkyuetYe72GNpy-/view
If we can’t answer these questions of vision, goals, or purpose—if we don’t know why we are spending billions of dollars—it is hard to believe we will accomplish much of anything. Yet Congress is poised to come back to taxpayers and ask for more money, just to accomplish more of the same.

How can this 10-year experiment with awarding a small slice of federal transportation funds competitively to the best possible projects across a range of modes help guide the debate over how to reform the federal transportation program at large? As lawmakers move toward reauthorizing the long-term federal transportation law in 2020, here are three lessons we’ve learned from 10 years of TIGER/BUILD that we could apply to the broader federal program.

**Competition for limited funds results in better projects**

Competition for funding helps improve projects. The introduction of a flexible, competitive program has pushed applicants to go further, to dream big, collaborate effectively, and design better projects that meet a community’s needs. There are a handful of projects that failed to win funding in one year and came back in another with a stronger application and a recalibrated project and won funding. The BUILD program proves what’s possible when we focus on funding the best possible projects instead of relying on blind formulas to dispense money automatically.

**Make funds directly available to local communities**

Local governments are generally more in tune with community needs and the land-use implications of transportation projects than statewide entities. The BUILD program has given locals a much needed source of direct federal funding that should be emulated in the broader federal transportation program.

As our colleagues at Smart Growth America have shown, most state departments of transportation (DOTs) were initially created solely to build highways and have that DNA embedded deep in their culture and practice. And they don’t always share the same priorities of their local communities when it comes to choosing how to disburse funding. Giving locals more of a say about how funds should be spent within their borders results in a transportation system that’s far more responsive to the real needs at a local level.

**Incentivize transportation choice**

The modern federal transportation program was designed to build the interstate highway system. Today, that system is complete but like a ship with a stuck rudder, federal policy lacks clear new direction and continues to focus primarily on doing the same thing: building roads. The result is a national transportation system that is heavily skewed toward private vehicle travel, often jeopardizing the safety of people walking, biking, and taking transit. But 10 years of BUILD have shown that there is great demand for multimodal infrastructure.

---

There’s no reason that the federal government should pay for a greater share of a road project than that of a transit project. Federal policy currently stipulates an 80 percent share for roads but a much lower amount for transit—usually around 50 percent. And when it comes to overall funding levels, again, there is no reason we should prioritize roads over other transportation options. If anything, transit projects should be prioritized in light of the great demand for more transportation choices, rising inequality, and climate change. The federal program should create more parity between the modes in terms of federal match and the overall funding levels.

Congress has a vital role in BUILD's future

The greatest strengths of this program have always been found in the numerous ways it is different from other federal transportation funding programs. Over the past decade it has funded numerous projects that have stimulated investment in communities big and small across the country, many of which would have never happened without it. It hypothesized and tested a new model of funding smart projects: funds given directly, allowing more flexibility and innovation in approach, and encouraging teams of multiple partners on complex projects.

While the program still has the potential to continue to fund great projects, it will only do so if Congress stays diligent and ensures that USDOT executes the program as intended.

TIGER is not, nor was it ever intended to be, a roads program, a rural funding program, or just another vehicle for funneling more money without any accountability to state DOTs. It is wildly popular because it is multimodal, advances projects in urban and rural communities alike, funds projects that don’t easily fit in today’s narrowly defined federal funding silos, and is open to any public entity.

We should keep it that way.
Appendix

The data in this report is based on information from project fact sheets for TIGER/BUILD projects from rounds I through X (BUILD I). These fact sheets include information about the amount awarded, the project sponsor, the project location, the project description, the full project cost, and the urban/rural project designation. The summary statistics reported are based on the 490 construction grants awarded over the 10 years of the program, and do not include planning grants. Details on graphics:

- **TIGER/BUILD funding by mode**: Each grant was classified into one of five project types: 1) Road, bridge, and/or highway; 2) public transportation; 3) freight rail or ports; 4) Complete Streets and/or main streets; or 5) other. The projects were classified based on the description included in TIGER/BUILD project fact sheets. The “other” category included 16 projects, totaling $196 million (2.8 percent of all funding). Some projects classified as “other” fit into more than one of the four categories, such as a rest stop that serves I-95 and doubles as a transit hub. Additional projects classified as “other” did not fit into any of the four categories, such as V2X or adaptive signal enhancements along a corridor.

- **TIGER/BUILD road project funding**: Each of the 143 projects classified as a “road, bridge, and/or highway” project was further classified into one of three types: 1) Capacity expansion, 2) road reconstruction, or 3) bridge replacement. These classifications are based on their project description included in TIGER/BUILD project fact sheets.

- **TIGER/BUILD funding of projects in urban/rural areas**: The TIGER/BUILD program classified each construction grant awardee as either an urban or rural project. One of the 490 projects, the “Securing Multimodal Freight Corridors in the Ozarks” project award in year IX of the program, was classified as both urban and rural. This project represented 2.9% of the funding awarded in year IX. For the purposes of this analysis, this project was assumed to be entirely rural.

- **TIGER/BUILD average percentage of funding awarded to state DOTs**: The percentage of funding awarded to state departments of transportation and local governments was calculated using project sponsor information from the TIGER/BUILD project fact sheets. When a project award was given to more than one entity (e.g. a state DOT and a local government), the funding was assumed to be split equally. This applied to 5 of 490 projects.

**TIGER/BUILD project fact sheets**

- I: https://www.transportation.gov/sites/dot/files/docs/Tiger_1_Awards.pdf
- II: https://www.transportation.gov/sites/dot/files/docs/TIGER_CAPITAL_GRANTS_2010.pdf
- IV: https://www.transportation.gov/sites/dot.gov/files/docs/fy2012tiger_0.pdf
- IX: https://www.transportation.gov/sites/dot.gov/files/docs/policy-initiatives/tiger/306331/t9-fact-sheets_0.pdf