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Intergovernmental Relations and Federal Affairs

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American Recovery and Reinvestment Act of 2009
Overview from a Local Government Perspective
February 2009

Environment

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Clean Water Grants and Loans (\$4.0) Drinking Water Grants and Loans (\$2.0)	\$6.0 billion	-Grants to States, which then make grants or loans to cities	- 1000% federal - at least 50% of funds for forgiveness of principal or interest <i>converting loans to grants</i> - Funds reclaimed if not under contract or construction in 12 months <i>-priority to projects that can proceed to construction in 12 months</i> -20% for green infrastructure, water or energy efficiency or other innovations, if there are projects; <i>- no land purchase</i>		-General expenditure plan to the Congress within 30 days of enactment <i>- within 90 days of enactment a report to Congress on project information</i>
Brownfields	\$100 million		100% federal		
Diesel Emissions Reduction	\$300 million	Discretionary by EPA			
Superfund	\$600 million	Discretionary by EPA			
Army Corps of Engineers	\$2.0 billion	Discretionary by COE to	\$200 million for <i>water-</i>	Completed	Quarterly Report by the Secretary of

Construction		existing projects	<i>related environmental infrastructure assistance for existing projects</i>	in a year	the Army to Congress starting 45 days after enactment
Army Corps of Engineers Operations and Maintenance	\$2.075 billion	Discretionary by COE to existing projects	<i>For existing projects</i>	Completed in a year	Quarterly Report by the Secretary of the Army to Congress starting 45 days after enactment
Army Corps of Engineers Studies	\$25 million – Studies	Discretionary by COE			

Community Development, Economic Development and Housing

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Community Development Block Grant	\$1.0 billion	Formula to local governments	-priority based on projects that can award contracts in 120 days -supplement, not supplant		-HUD secretary shall establish requirements to expedite use of funds
Neighborhood Stabilization Program	\$2.0 billion <i>(redevelopment of abandoned or foreclosed homes)</i>	Competitive among states, localities, nonprofits	- Secretary will ensure grants are in areas of greatest number and percentages of foreclosures -Secretary can establish <i>minimum grant size</i>	-Applications due at HUD 150 days after enactment- -Secretary obligates <i>all funding in a year</i>	-Secretary shall establish criteria 75 days after enactment
HOME Investment Partnerships	\$2.25 billion	- Formula to State Housing Credit Agencies based on % of HOME funds apportioned - State agencies then distribute competitively to project owners	-capital investments in low-income housing tax credit projects	-75% of funding distributed in one year, 75% spent in two years, 100% spent in 3 years -funds recaptured if timelines not met	
Public Housing Capital	\$4.0 billion	\$3.0 billion- <i>Formula to Public</i>	-Competitive portion takes leveraging private sector	-obligate in 1 year -spend 60% in 2	

		<i>Housing Authorities</i> <i>\$1.0 billion-Competitive to Public Housing Authorities</i>	funding or financing for renovations and energy conservation retrofit as priority - <i>PHA's to give priority to vacant rental units</i> - priority based on projects that can award contracts in 120 days - supplement, not supplant	years - spend 100% in 3 years - Secretary can recapture in timelines above not met	
Homelessness Prevention	\$1.5 million	Formula to grantees under McKinney-Vento Homeless Assistance Act	- Short term or medium term rental assistance, housing relocation, and stabilization services for homelessness prevention or rehousing to recently homeless	- Spend 60% within 2 year; - 100% within 3 years	
Assisted Housing Stability and Energy and Green Retrofit Programs	\$2.25 billion	Owners of Properties Receiving Based Section 8 assistance	-\$2.0 billion general assistance - \$250 million for energy retrofit and green investments in Properties Receiving Based Section 8 assistance	- Spend funding within two years	Secretary will determine terms of the program
Economic Development Administration	\$150 million	Application to EDA	-\$50 million for Economic Adjustment Assistance – <i>Priority to sudden severe dislocation and job loss due to corporate restructuring</i> - \$50 million to federal <i>Economic Development Commissions</i>		
Community Development Financial institutions	\$100 million				Treasury to submit detailed expenditure plan 60 days after enactment
Lead Paint Removal	\$100 million	Discretionary by HUD	- Preference to those qualified applicants who applied in 2008 but were not granted funds	- Spend 50% of funds in two years - 100% of funds in three years - Secretary recaptures if deadlines missed	
Corporation for National and Community Service	\$200 million	- To State Community	- \$89 million to existing Americorps grantees;		

		Service Boards	- non-federal share waiver discretionary -\$40 million for the National Service Trust		
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Transportation

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Transit Capital Assistance	\$6.9 billion	Formula to existing transit recipients	Federal share 100% - Unused funds up to 50% redistributed 180 days after enactment and again at 1 year - <i>\$100 million discretionary for reducing energy consumption or greenhouse gases emissions of transit systems</i> -periodic reports to agency on spending and job creation	Apportioned 21 days after enactment	-Within 30 days after enactment each state must certify that it has maintained existing funding. - Failure to maintain effort will mean loss of funds
News Starts, Small Starts	\$750 million	Secretary's Discretion	-Priority to projects currently in construction or able to obligate in 150 days of enactment -periodic reports to agency on spending and job creation		-Within 30 days after enactment each state must certify that it has maintained existing funding. - Failure to maintain effort will mean loss of funds
Rail Modernization	\$750 million	Formula to existing rail systems	-Federal share 100% - Unused funds up to 50% redistributed 180 days after enactment and again at 1 year -periodic reports to agency on spending and job creation	Apportioned 21 days after enactment	-Within 30 days after enactment each state must certify that it has maintained existing funding. - Failure to maintain effort will mean loss of funds
Highway Infrastructure	\$27.5 billion	- state formula-3% for enhancements; - 30% STP allocation to metro areas	-Projects to be completed in three years - Priority to economically distressed areas - Unused funds up to 50% redistributed 120 days after enactment (excludes suballocation) and again at 1 year; -100% federal share -periodic reports to agency on spending	-Funds apportioned 21 days after enactment	-Within 30 days after enactment each state must certify that it has maintained existing funding. - Failure to maintain effort will mean loss of funds

			and job creation		
Competitive Surface Transportation Program	\$1.5 billion	Secretary's Discretion to states, localities or transit authorities	<ul style="list-style-type: none"> - Significant impact on the nation, a metropolitan area or region - any eligible surface transportation project - \$20 million minimum, \$300 million maximum (could be waived for smaller cities) - 100% federal share - priority where federal share is needed to complete - periodic reports to agency on spending and job creation 		<ul style="list-style-type: none"> - Criteria to be published by Secretary within 90 days - Application 180 days after above
Airports	\$1.1 billion	Secretary's Discretion to Airports	<ul style="list-style-type: none"> - Priority given to projects to be completed within 2 years of enactment - supplement, not supplant planned expenditures; - 100% federal share - periodic reports to agency on spending and job creation 	<ul style="list-style-type: none"> - 50 percent awarded within 120 days of enactment - 50 percent in a year 	
High Speed Rail Corridors and Intercity Rail Passenger Service	\$8.0 billion		<ul style="list-style-type: none"> 100% federal share - periodic reports to agency on spending and job creation 		<ul style="list-style-type: none"> Secretary delivers a strategic plan within 60 days of enactment; - DOT Guidance within 120 days
AMTRAK	\$1.3 billion	Funds provided to AMTRAK.	<ul style="list-style-type: none"> - Repair, rehabilitation and upgrade of rail facilities - periodic reports to agency on spending and job creation 	Funds provided within 30 days.	

Public Safety

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
COPS Hiring	\$1.0 billion	Direct Application by cities	For hiring and <i>rehiring</i> career law enforcement officers 100% federal share. Actual cost of officer for 3 years		COPS Office will launch the program soon.
Byrne Justice Assistance Formula Grants	\$2.0 billion	Formula To States Pass Through to Locals	Broad uses for support of law enforcement activities		
Byrne Justice Assistance Competitive Grants	\$225 million	Competitive Grants to improve functioning of the criminal justice system, assist victims of crime and you mentoring.			
Victims of Crime	\$100 million	Competitive Grants by the Office of Victims of Crime			
Internet Crimes Against Children	\$50 million	Competitive Grants for Internet Crimes Against Children			
Violence Against Women	\$225 million	\$50 million for transitional housing			

Energy

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Energy Efficiency and Conservation Block Grant	\$3. billion	\$2.8 billion <i>Formula to cities</i>	-Broad eligibility for energy efficiency and		Department of Energy to communicate with cities soon

		\$400 million - <i>competitive</i>	conservation projects - Secretary to use most recent population data available		
Weatherization Assistance	\$5.0 billion	Formula to states			
Electricity Delivery and Energy Reliability	\$4.5 billion	Discretionary by DOE \$100 million for worker training	To modernize the electric grid, enhance security and reliability of the energy infrastructure		
Alternative Fueled Vehicles Pilot Program	\$300 million	Discretionary by DOE			

Employment and Training

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Adult Employment and Training	\$500 million	Formula to States for distribution to local workforce boards			An operating plan to Congress within 30 days describing the proposed use of funds.
Youth Activities <i>(including summer youth employment)</i>	\$1.2 billion	Formula to States for distribution to local workforce boards			An operating plan to Congress within 30 days describing the proposed use of funds.
Dislocated Workers	\$1.25 billion (an additional \$200 million for the national reserve)	Formula to States for distribution to local workforce boards			An operating plan to Congress within 30 days describing the proposed use of funds.
YouthBuild	\$50 million	Discretionary by Department of Labor			An operating plan to Congress within 30 days describing the proposed use of funds.
Worker Training in High Growth and Emerging industry	\$750,000	Discretionary by department of Labor	\$500 million –Energy Efficiency and Renewable <i>\$250 million –health care</i>		An operating plan to Congress within 30 days describing the proposed use of funds.
Community Service Employment for Older	\$120 million	Formula allocation to current grantees			Funds available immediately and allotted within 30 days

Americans					
State Unemployment Insurance	\$400 million	Grants to states for extension of unemployment benefits	\$250 million to be used for reemployment services		
Enforcement of Labor Laws	\$80 million	To the Secretary of Labor for Recovery Act labor law enforcement			
Job Corps	\$250 million	Discretionary by the Secretary of Labor	For construction of Job Corps facilities with up to 15% available for operations		

Education

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Education for the Disadvantaged	\$13.0 billion	State Formula <i>Formula allocation to school districts</i>			
School Improvement Programs	\$720 million	State Formula <i>Formula allocation to school districts</i>	Includes \$70 million for states to suballocate to local districts for homeless students		
Special Education	\$12.2 million	State Formula			
Rehabilitation Services and Disability Research	\$680 million	State Formula			
Student Financial Assistance	\$15.8 billion				
Institute of Education Sciences	\$250 million	State Formula	Post secondary and workforce information		
National Endowment for the Arts	\$50 million	Discretionary by NEA 40% to state and regional	100% federal share Arts projects and activities		-General expenditure plan to the Congress within 30 days of enactment

		arts organizations 60% discretionary	which preserve jobs in arts threatened by decline in philanthropy and other support		- within 90 days of enactment a report to Congress on project information.
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Social Services

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Women, Infant and Children Supplemental Nutrition	\$500 million	-State Formula \$100 million <i>-Secretary's Discretion</i> \$400 million			
School Lunch Program	\$100 million	-Formula to states <i>-Application by School Systems</i>	- For Equipment - Priority to schools where 50% or more kids are eligible		
Childcare and Development Block Grant	\$2.0 billion	State Formula	To supplement, not supplant, state general revenue funds for child care assistance for low income families		
Head Start	\$1.0 billion	State Formula			
Early Head Start	\$1.1 billion	State Formula			
Community Services Block Grant	\$1.0 billion	State Formula			
Aging Services Programs	\$100 million	State Formula	\$65 million for Congregate Nutrition \$32 million for Home Delivered nutrition		

Health

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Health Centers	\$500 million	State Distribution			

Health Technology	\$1.5 billion	HHS Discretionary Grants	Construction, renovation, and equipment for health information technology systems		
“Health Information Technology for Clinical Health Act(“HITECH Act”)	\$19.0 billion	-HHS Discretionary -Funds passed through a variety of federal agencies for architecture, training and development of electronic health records records;	To carry out the health technology initiatives of the act such as: - <i>Grants and Loan Funding to invest in infrastructure to allow for and promote electronic exchange and use of health information for each American including:</i> (1) - <u>regional centers</u> to provide technical assistance and disseminate best practices – nonprofits institution or organization -4 years and 50% of costs; (2) <u>state grants</u> –planning and implementation grants for health technology to states or state designated entities	-90 days after enactment Secretary establishes criteria for Regional Centers	Report on the plan 90 days after enactment
Health Professionals	\$500 million	HHS Discretionary Grants	- To address health professionals workforce shortages - \$5 million to National Health Service Corps		Operating plan to be submitted to the Congress 90 days after enactment. Report due November 1 and every 6 months thereafter.
National Center for Research Resources <i>(National Institutes of Health)</i>	\$1.3 billion	NIH Discretionary	Funds available to construct, renovate or repair existing <u>non-federal</u> research facilities		
Prevention and Wellness Funds	\$1.0 billion	HHS Discretionary	\$300 million to the CDC for immunization; <i>\$650 million for clinical and community-based prevention</i>		

Homeland Security

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Fire Station Grants FEMA	\$210 million	Discretionary by DHS	-Modifying, upgrading, or constructing fire stations. - <i>-Grant maximum of \$15 million</i> 100% federal share		Extensive “Buy America” provisions can we waived by the Secretary. Regulations will clarify.
Public Transportation Security Assistance	\$150 million	Discretionary by DHS			Extensive “Buy America” provisions can we waived by the Secretary. Regulations will clarify.
Aviation Security TSA	\$1.0 billion	Discretionary by DHS for checked baggage explosive detection systems equipment	To airports with completed design plans		Extensive “Buy America” provisions can we waived by the Secretary. Regulations will clarify. <i>DHS will communicate a distribution plan to Congress 45 days after enactment.</i>
Port Security Grants	\$150 million	Discretionary by DHS			Extensive “Buy America” provisions can we waived by the Secretary. Regulations will clarify.
Emergency Food and Shelter	\$100 million	Discretionary by DHS			Extensive “Buy America” provisions can we waived by the Secretary. Regulations will clarify.

Telecommunications

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
Broadband Technology Opportunities Program <i>National Telecommunications</i>	\$4.7 billion	\$200 million - competitive grants to expand public computer center capacity			

<i>and Information Administration Department of Commerce</i>		community colleges and public libraries \$250 million – Competitive Grants to encourage adoption of broadband			
Digital-to-Analog Conversion	\$650 million	For additional coupons	\$90 million for grants to educate vulnerable populations		

State Fiscal Relief

Program	Funding	Distribution	Special Factors	Timing	Federal Agency Actions
State Fiscal Stabilization Fund	\$53.6 billion	- 61 % based on state population ages5-24 - 39% based on state total population	-81.8 percent to support elementary, secondary, and post-secondary education and early childhood. Distribution to local educational agencies - 18.2 % for public safety and other governmental services including school modernization and repair including those consistent with green building principles		
Temporary Federal Medical Assistance Percentage (FMAP)	\$86.6 billion	6.2% increase to states for the Medicaid state share			

General Provisions

Requirement	Description
Prohibited Uses	No funds can be used for zoo’s, aquariums, golf courses, swimming pools or casinos.

Buy American	Buy American provisions prevail but can be waived by the federal agency heads.
Wage Rates	Federal prevailing wage policy applies.
Environmental Policy	National Environmental Policy Act compliance must occur.

Selected Tax Provisions of Interest to Local Government

Provision	Description
Vehicle Purchases	Deduction for state and local taxes paid on the purchase of new vehicles through 2009. Phase out at higher levels of income.
Industrial Development Bonds	Expand definition of manufacturing facility for the purposes of Industrial Development Bonds
New Markets Tax Credit	Increases New Market Tax Credits to \$5.0 billion for 2008 and 2009.
Recovery Zone Bonds	New category of tax credit bonds for investment in economic recovery zones. \$10 billion in recovery zone economic development bonds and \$15 billion in recovery zone facility bonds. Each state receives a share based on job losses, then suballocates to localities. Localities can use bonds for infrastructure, job training, education, and economic development in areas that have significant unemployment or home foreclosures.
Withholding Requirement	Delays for one year 3% withholding requirements on government payments for goods and services.
Qualified School Construction Bond	New Category of tax credit bonds for the construction, rehabilitation or repair of public school facilities.
Buy America Bonds	Provides state and local government with the option of issuing tax credits instead of tax exempt governmental obligation bond.
Qualified Energy Conservation Bonds	New municipal bonds to finance state, municipal activities designed to reduce greenhouse gases.

Accountability and Transparency Provisions

Requirement	Description
Certifications	Grant recipient (Mayor, Governor, General Manager) shall certify that infrastructure investments have received the full

	review and vetting required by law and that the recipient accepts responsibility as an appropriate use of taxpayers dollars. <i>Certification posted on federal and local website.</i>
Reports	Quarterly reports on the infrastructure investments made, the purpose, cost, rationale and contact for concerns, detailed information on subcontracts. <i>Federal agency will post the reports to a website.</i>
Registration	Recipients must register with the Central Contractor Registration administered by the Office of Management and Budget.
Inspector General	Any federal agency Inspector General can review concerns raised by the public with findings posted on a website.
Recovery Accountability and Transparency Board	New federal agency established to coordinate and conduct oversight of covered funds to prevent fraud, waste and abuse and establish recovery website.
Recovery Independent Advisory Panel	Established to advise the President on the implementation of the recovery.
Set-aside for state and local reporting and Record Keeping	Federal agencies can adjust administrative costs allowed to assist state and local governments with the cost of recovery record keeping and reporting.
Whistleblower Protection	State and local whistleblowers protected