

SB

124

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FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
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Identifier (file name): _____ Dept. Affected: DOT&PF
Title Authorization to Participate in the American Recovery and RDU Administration & Support
Reinvestment Act of 2009 Component Commissioner's Office
Sponsor _____
Requester _____ Governor _____ Component Number 530

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2010	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES								
CHANGE IN REVENUES ()								

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Authorization to receive and expend federal economic stimulus funds is requested in a separate appropriations bill.

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Approved by: Nancy Slagle, Director
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Date/Time 02/24/2009-1:30pm
Date 2/24/2009

DRAFT

**STATE IMPLEMENTATION OF THE
AMERICAN RECOVERY AND REINVESTMENT ACT**

A National Governors Association Report

February 20, 2009

Key Points

1. The American Recovery and Reinvestment Act (ARRA) will have a huge impact on state government because it will affect about 50 state formula and discretionary grants as well as about 15 entitlement and anti-cyclical programs. States or individuals through state programs will receive over \$250 billion from the package. Many of these programs will require states to make legislative, business, and even management information system changes. In addition, state revenues and bonding activities will also be impacted.
2. In many instances, the act requires funds to be obligated quickly. In particular, it contains several “use it or lose it” provisions, which would reallocate unobligated funds to other states. For example, there is a requirement in the highway section for states to obligate 50 percent of funds in 120 days.
3. States are likely to experience difficult fiscal conditions for at least the next three years. Both 2009 and 2010 will be difficult because the economy will grow very little. Meanwhile, 2011 also will be difficult because history has shown that the biggest impact on state government budgets has been felt the year after the recession ends. It is also true that these funds are only temporary. Thus, governors will be challenged to develop the correct balance between quick obligation and program stability and efficiency in bridging the gap until economic recovery.
4. The act includes numerous provisions to ensure that the appropriated funds are spent as intended by Congress. As a result, state activities will be subjected to extensive public scrutiny and will have to meet very high standards with respect to transparency and accountability. States also should be prepared for extensive audits by the federal government.
5. The current estimate of total state budget shortfalls over fiscal years (FYs) 2009-2011 is about \$250 billion. The ARRA contains some flexible funds to counter these shortfalls, namely \$87 billion from Medicaid and about \$48 billion in the State Stabilization Fund (for a total of about \$135 billion in countercyclical funds). On average, this is just a little over 50 percent of the projected shortfall, which means it will be a big help but no panacea. To bridge the gap, states will have to continue to consolidate and streamline state government.
6. There are three categories of funds in the ARRA – countercyclical or flexible funds, safety net (i.e., Medicaid, Food Stamps, Unemployment Insurance), and direct appropriations – that are all an integral part of the short-run stimulus. These programs must be implemented quickly to have positive macro-economic impacts.
7. The act includes substantial funds for health IT, research and development, alternative energy, and broadband development. These are intended to transform the economy and set the foundation for long-run economic growth. They also provide a major opportunity for governors to aggressively combine various funds to maximize long-run growth and competitiveness. To maximize these opportunities, governors should develop a strategic vision for using the funds and engage their state universities and the private sector.

8. Governors may want to appoint a lead coordinator and a team or task force that includes staff with extensive budget, transparency and accountability expertise. They may also want to appoint other sub-leads for the four major categories of spending, i.e., countercyclical, direct appropriations, safety net, and long-run foundational funds to maximize coordination. The lead coordinator may report directly to the governor. It is critical for this team to develop strategic visions as well as management plans..
9. Governors also may want to develop an aggressive outreach strategy to develop input directly from the public as well as local governments and the private sector. Some states may wish to appoint advisory groups to assist in channeling input and advice.
10. Finally, governors may want to develop a comprehensive strategy to keep citizens informed at each step of the implementation, given continuing economic difficulties and the importance of the stimulus. Developing a sophisticated Internet strategy to share information will be critical.

STATE IMPLEMENTATION OF THE AMERICAN RECOVERY AND REINVESTMENT ACT

ARRA provides about \$787 billion to reduce the risk of deflation and to significantly reduce both the decline of GDP and loss of jobs over the next two to three years. It includes \$478 billion in increased spending and \$300 billion in tax cuts.

Spending Categories

From a state perspective, it is critical to think in terms of the various categories of spending because they have very different intents and many require different management structures, reporting requirements, and even the involvement of state legislatures. Four categories are particularly important.

1. Countercyclical Funds

There are two major categories of the countercyclical funds, which are the most flexible funds. First, there is the \$87 billion in estimated federal increase in Medicaid funds that, depending on the future growth of Medicaid, will allow states to reprogram some of their own previous matching funds to other areas to offset planned budget cuts. The second is the \$48 billion in the State Fiscal Stabilization Fund, which includes \$8.8 billion that can be used for any purpose as well as \$39 billion that must be used for elementary and secondary education, higher education, and early childhood. Because education averages about 30 percent of state budgets, it provides considerable flexibility. It is important to note that local school districts will also receive an additional \$25 billion in Title I and special education grants for education. The combination of Medicaid and the State Stabilization Fund means that the flexible funds provided under the act total about \$135 billion. Additional detail is provided for this category in **Appendix A**.

2. Appropriated Programs

The ARRA contains a significant number of direct appropriations into existing state programs, which run the gamut from \$27.5 billion for highways to \$1 billion for community services block grants to \$3.1 billion for state energy grants. States have little flexibility here and must spend these additional funds in the specified program areas. Many of these grants are formula while others are discretionary or competitive grants. This category includes about 50 programs. In many cases, states need to obligate and spend these funds quickly to create jobs. Additional detail is provided for this category in **Appendix B**.

3. Safety Net

The act does expand on a number of safety net programs such as Medicaid, including transitional Medicaid assistance as well as both increased food stamp benefits and eligibility. Also, it extends eligibility for unemployment insurance. Most of these programs will require states to make decisions regarding new eligibility and benefit levels, which may require state legislative changes as well as major changes to business processes and management information systems. The additional safety net funds will be spent quickly by recipients and, thus, will have a positive macroeconomic impact. Additional detail is provided for this category in **Appendix C**.

These three categories of available funds are all intended to be part of the stimulus portion of the bill, which requires that all changes be enacted quickly and funds obligated rapidly. They all are important in limiting the rate of decline in GDP and job loss.

4. Foundations for Economic Growth

The legislation also targets long-run investments in four areas with substantial potential for both short- and long-term economic growth. These areas are:

- Alternative Energy, Energy Efficiency and Green Jobs;
- Health IT;
- Broadband Development; and
- Research and Development.

To maximize the benefit of these investments provided under the act, states must develop strategic plans to combine the various grants and loans. Achieving the maximum “bang-for-the-buck” requires a coordinated approach, governance structure, and clear strategic goals. The legislation authorizes about \$56 billion for these four areas. However, these funds are not in addition to funds described in the three preceding categories. This number is just illustrative of the potential to draw linkages between program funds. Additional detail is provided for this category in **Appendix D**.

Federal Tax Changes

The legislation also contains a number of provisions designed to provide tax rebates or other forms of tax benefits to individuals and businesses. Some of these changes may have an adverse impact on state tax revenue in those states that are still coupled with the federal income tax law. Other changes may affect state and local bonding authority and affect the cost of that borrowing. Those changes most likely to affect states and localities are described in more detail in **Appendix E**.

Challenges and Opportunities

This act presents governors with an almost unprecedented series of challenges and opportunities. While new funds will become available almost immediately, the recession will likely continue to affect state government for the next three years. As a result, the first challenge for governors will be to obligate funds quickly while also ensuring program stability over the 2009-2011 period.

The second challenge for governors will be the need to ensure that state departments and agencies:

- Secure the maximum amount of federal funds available;
- Fulfill transparency and reporting requirements;
- Ensure full and timely use of resources; and
- Avoid waste, fraud, and abuse.

Federal Oversight and Accountability

The legislation contains numerous provisions to ensure that the appropriated funds are spent as intended by the Congress. As a result, state activities will be subjected to extensive public scrutiny and to enhanced oversight by a variety of federal entities, including federal program managers, agency inspectors general, and the Government Accountability Office. Federal efforts will be coordinated by a newly established Accountability and Transparency Board that will be chaired by the President’s Chief Performance Officer and include six members designated by the President from among the inspectors general and deputy secretaries. The board is charged with:

- Ensuring that reporting meets applicable standards;
- Verifying compliance with competition requirements; and
- Investigating spending to identify poor contract management, fraud, or waste.

The legislation requires the board to establish a Web site, www.recovery.gov, as a portal or gateway to key information related to the act and to provide a window to other government websites with related information. States will be required to use this Web site to post information on the use of both operational funding and infrastructure investments. The required information is generally more detailed than mandated by current statutes and will include:

- Descriptions of the intended use of the funds;
- Impact on job development and preservation; and
- Copies of individual grants and contracts.

The legislation includes substantial increases in the appropriations for the Government Accountability Office and departmental inspectors general. It requires grantees to provide federal reviewers with unfettered access to state records. It also establishes new whistle-blower protections, including the authority for federal inspectors general to review and decide claims regarding retaliation.

Timing Issues and Constraints

The legislation has numerous requirements regarding obligation of funds for the various programs. Many of these incorporate “use or lose” provisions, which means that funds are reallocated to other states if they are not obligated by the given deadline.

Additional provisions govern the availability of some other funds, such as enhanced Medicaid reimbursement and temporary increases in eligibility and benefit levels for programs assisting needy individuals and families.

The ability of states to meet these timing requirements may be affected by a number of factors, including the need for:

- State legislative authorization to receive and expend funds;
- State legislative authorization for needed program/eligibility changes;
- Modification of business processes and/or information systems;
- Staff capacity; and
- Public support.

Assessing the Management Challenge

Governors should expect to be held fully accountable for their use of these new federal funds. Critics are already questioning state decisions during the period leading up to the recession and will likely be even more vocal as time passes. Governors will be expected to achieve an almost impossible balance between three related objectives:

- Expending funds quickly;
- Targeting funds effectively; and
- Avoiding any appearance of waste, fraud, or abuse.

To best achieve these objectives, governors will need to quickly build or expand a capacity to:

- Plan and establish priorities;
- Obtain necessary legislative and public support;
- Coordinate the interaction between state and federal agencies;
- Oversee state agency implementation, including coordination and collaboration across agency and program lines;
- Expand workforce capacity to develop and monitor a rapid growth in contracts;
- Ensure compliance with grant requirements, including transparency and accountability provisions; and

- Facilitate local government and private sector opportunities to utilize federal grant and loan programs to the maximum extent.

Thoughtful planning and skilled implementation will be required to achieve the full benefit of the opportunities encompassed in the ARRA. Planning is required to ensure that new spending is timed to provide necessary resources over the duration of the recession and initial recovery. Failure to plan early for the next two to three years could worsen the out-year impact because states might be hard pressed to meet service expectations or commitments.

Planning is also vital to ensure that available funds are used strategically to address both the short-term needs of individuals adversely affected by the recession and the opportunities to invest in some critical elements of future economic growth. A thoughtful planning process that involves multiple stakeholders at an early stage can help both to identify priorities and the opportunities to coordinate a variety of funding sources to help achieve broader goals. That process also can help identify and address issues relating to the sustainability of programs and services that may be initiated or expanded under the ARRA.

The full use of new federal funds will likely require quick state legislative action. The heated debates in the Congress underscore the importance of communicating a clear message regarding the importance of timely action to the public and of an aggressive outreach effort to include key legislative interests early in the planning process.

Similarly, a proactive approach by the governor may be needed to identify and maximize opportunities for better collaboration and coordination with direct federal programs and to minimize the restraints inherent in some of the traditional stovepipe programs that are being used to channel increased funding. While department and agency heads will often play a lead role in these efforts, gubernatorial oversight and participation will be critical for their success.

The need to commit new funding quickly will require speedy action by a large number of state departments and agencies. In some cases, new programs must be developed and implemented. In other cases, extraordinary steps may be required to expand the capacity to deliver existing services to additional clients. Implementation plans may need to encompass new regulations, changes in operating procedures, large scale modifications to information systems, enhanced training, and expanded outreach efforts. Governors will want to ensure that their department and agency heads clearly understand their critical roles and to develop procedures to monitor their progress.

The use of new resources available to the states in a number of program areas will require a rapid expansion in state capacity for contracting. An initial focus on the preparing and issuing contracts will need to be followed by intensive contract management to ensure the proper and timely expenditures of funds. Many states may lack the trained manpower needed to carry out these tasks. Governors will want to review the possible need to enhance their contracting and contract management capacity.

Extensive public reporting provisions, particularly the mandate for posting detailed information on a national Web site, provide numerous opportunities for ongoing scrutiny by the public at large and for those hoping to identify waste and misuse. Governors will want to ensure that state departments and agencies are fully meeting these requirements in a timely manner and to monitor the data that is being made available in an effort to anticipate potential problems.

Similarly, governors may want to consider additional ways to identify and monitor potential problems before they can become operational or political issues. Possible steps include a more aggressive state auditing schedule, special waste and abuse hotlines, and an aggressive risk management strategy that encourages participation and truth-telling by all levels of employees and managers.

Finally, governors and their appointees can help local governments, nonprofits, and other segments of the private sector identify and pursue grant and loan opportunities, as well as help coordinate those activities and identify intergovernmental and cross-program opportunities to work together toward a set of common objectives.

Creating a Management Structure

The issues involved in implementing state responsibilities under the ARRA are too important and too complex to leave to “business as usual.” They will require extraordinary steps to prepare for and carry out those responsibilities efficiently and effectively. Some of the possible steps include:

- Assigning oversight responsibility to the governor’s office;
- Assigning oversight responsibility to an existing planning or budgeting agency;
- Assigning oversight responsibility to the cabinet or to sub-cabinets;
- Delegating responsibility to department and agency heads; and
- Creating new mechanisms to coordinate planning and implementation.

As described in **Appendix F**, more than 20 governors already have taken steps to prepare for the new opportunities and responsibilities resulting from enactment of the ARRA.

Conclusion

Over the next 12 to 36 months, the ARRA will make over \$250 billion available to state government or through state governments to individuals. This act provides governors with a unique opportunity to mitigate the impact of the recession while they work to lay the foundation for future economic growth. It also presents governors with an almost unprecedented series of challenges and opportunities.

As already demonstrated, governors are working quickly to identify and respond to those challenges and opportunities in a timely and responsible manner.

APPEDIX A: COUNTERCYCLICAL FUNDS

In the midst of a deepening national recession, states can play a critical role in determining when the economy will start to recover. Because states must balance their budgets every year, when faced with falling revenues from an economic crisis, states must reduce spending or raise taxes—options that further exacerbate the effects of a downturn. Federal investments to stimulate the economy and speed recovery must therefore include flexible funds so that states can postpone planned budget cuts.

The two largest components of state budgets are health care and education. The scope of the financial crisis means these core services are subject to cuts to meet balanced budget requirements. The ARRA contains several provisions to support these services and reduce the need for cuts to these programs. States will receive approximately \$87 billion in funding through enhancements of the Federal Medical Assistance Percentage (FMAP), \$53.6 billion through a new State Fiscal Stabilization Fund for education and other critical government services, and \$26 billion for Title I and special education.

COUNTERCYCLICAL FUNDING				
Federal Dept.	Program Title or Description	ARRA Appropriations (in millions of dollars)		Comments
		<i>FY08</i>	<i>ARRA</i>	
EDU	State Fiscal Stabilization Fund	----	53,600	Grants to governors based on population to support (1) elementary and secondary education (81.8% of allocation); and (2) public safety and other government services, which may include education (18.2% of allocation). Funds may be used in state FYs 2009, 2010, and 2011. Governors must submit an application including assurances. Funds also reserved for a new state Incentive Fund at Secretary's discretion. Governors may also seek fiscal and regulatory relief from other federal education programs.
EDU	NCLB Title I School Improvement Grants section 1003 (g)	491	3,000	Use funds for 2009-2010 2010-2011 school year
EDU	Special Education IDEA	11,760	12,200	\$11.7 billion Part B Grants \$500 million Part C grants Use funds for 2009-2010 2010-2011 school year
HHS	Child Support Enforcement	0	1,000	2-year restoration of federal incentive match
HHS-CMS	Enhanced Medicaid FMAP	191 Bil. (FY07)	87,000	27-month provision Broad eligibility MOE Prompt pay enforcement
HHS-CMS	Medicaid Disproportionate Share Hospitals (DSH) payments		500	2.5% increase in FY 2009-2010 allotments

APPENDIX B: APPROPRIATED PROGRAMS

This category of funding will increase direct spending to help create jobs. To ensure that these funds are used quickly, Congress included provisions that require federal agencies to make both formula and competitive funds available to grant recipients on an accelerated schedule. At the same time, the legislation requires grant funds to be obligated by September 30, 2010, unless other timelines are established in the legislation for a specific program. In addition, the legislation also includes program-specific use-it-or-lose-it clauses that require states to obligate available funding within a specified timeframe to prevent reappropriation to other states.

These categorical grants do not provide much state flexibility in determining how the funds can be spent and are therefore unlikely to offset state shortfalls.

In most cases, the use of these funds will not require changes in authorizing legislation at the state level. However, individual programs may require changes in state policies or law, and many states may need legislation to appropriate the increased funds.

DIRECT APPROPRIATIONS				
Federal Dept.	Program Title or Description	ARRA Appropriations (in millions of dollars)		Comments
		<i>FY08</i>	<i>ARRA</i>	
Comm.	National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program	N/A	4,350	Available until 9/30/10 for competitive grants to increase broadband deployment; requires 20% match unless waived.
Comm.	NTIA Broadband Mapping grants	N/A	350	Only one grantee per state, designated by the state.
DOT	Office of the Secretary - Supplemental Discretionary Grants for a National Surface Transportation System	N/A	1,500	New discretionary grant program for projects that will have a significant impact on the nation, metro area, or region. Eligible grantees include states, localities, and transit agencies; grants range between \$20M-\$300M. Not more than 20% of these funds may go to projects in a single state; eligible projects include highway, bridge, public transportation, passenger and freight rail, and port infrastructure. SecDOT to publish criteria for selection process within 90 days of enactment. All applications due to SecDOT within 180 days of enactment. All funding awarded within one year; money must be obligated by recipients by 9/30/10.
EDU	Educational Technology Grants	267.5	650	Formula grants to states and local schools. Use funds for 2009-2010 and 2010-2011 school year.
EDU	Teacher Incentive Fund	97.3	200	Competitive grant to states.

EDU	McKinney-Vento Homeless Act	64	70	Formula grants to states with a pass through to locals.
EDU	Teacher Quality Enhancement	33.7	100	Competitive grant to states.
EDU	Statewide Data Systems (P-16) Alignment	48.3	250	Competitive grant to states. Up to \$5 million for state data coordinators and awards for public or private organizations to improve data coordination.
Energy	Weatherization Assistance Grant	227	5,000	Raises eligibility threshold from 150% to 200% of poverty. Increases maximum grant from \$2,500 to \$6,500. All funds must be obligated by 9/30/10.
Energy	State Energy Program	44	3,100	Requires governors to: work with utilities to implement a general policy that ensures utilities provide financial incentives to help customers use energy more efficiently; adopt residential and commercial building codes that exceed specified standards; give priority to projects that include an expansion of existing energy efficiency programs; expand existing support for renewable energy projects and deployment activities; and cooperate in joint activities among states to support energy efficiency priorities. All funds must be obligated by 9/30/10.
Energy	Energy Efficiency and Conservation Block Grant	0	2,800	The State Energy Programs receive approximately 12% of these funds. Another 16% must be passed through to towns of fewer than 35,000 residents or counties of less than 200,000. All funds must be obligated by 9/30/10.
Energy	Alternative Fueled Vehicles Pilot Program	0	300	Available to states, localities, and metropolitan transportation authorities. Must include a Clean Cities Initiative participant. Funds alternative fuel, fuel cell, and ultra-low-sulfur diesel vehicles, fueling infrastructure, and O&M of vehicles or equipment. All funds must be obligated by 9/30/10.
Energy	Transportation Electrification	0	400	Available to states, localities, and metropolitan transportation authorities. All funds must be obligated by 9/30/10.
EPA	Clean Water State Revolving Loan Fund	700	4,000	The Administrator shall reallocate funds where projects are not under contract or construction within 12 months. Priority funding must be given to projects on the state priority list that can be under construction within 12 months. Further, states must use 50 percent of the funds for grants, negative interest loans, and principal forgiveness. Not less than 20% of the SRFS fund must be devoted to specific project types specified in the legislation. Funds cannot be used to purchase land or easements. Funds may be used to buy, refinance, or restructure existing debt obligations incurred on or after 10/01/08. The bill would waive the 20% state match requirement.
EPA	Drinking Water State Revolving Loan Fund	842	2,000	See above.

EPA	Leaking Underground Storage Tanks	107	200	State cost share has been waived. All funds must be obligated by 9/30/10.
EPA	Brownfields	95	100	All funds must be obligated by 9/30/10.
EPA	Superfund Hazardous Waste	1,270	600	States are eligible for grants to conduct site assessments. All funds must be obligated by 9/30/10.
EPA	Diesel Emission Reduction Act	49.5	300	States receive 30% of these funds. All funds must be obligated by 9/30/10.
FAA	Grants-In-Aid for Airports (AIP)	3,500	1,100	Discretionary grant program. Grantees are primarily local governments that run airports. Priority to projects that can be completed within 2 years of enactment.
FHWA	Highway Infrastructure Investment	38,900	27,500 -840 million in top-of-line set-asides	Distributed by formula to states; 30% of state apportionment must be suballocated within the state by population. 3% is set aside for Transportation Enhancements. Funds must be apportioned within 21 days of enactment. States must obligate first 50% within 120 days of apportionment. States given 1 year to obligate remaining 50% of funds. Suballocated funds must be obligated within 1 year.
FRA	High-Speed Rail Corridors and Intercity Passenger Rail	0	8,000	Discretionary grants. SecDOT must submit a "strategic plan" to Congress for the program within 60 days of enactment. SecDOT to issue interim regulations within 120 days of enactment. Projects will not need to be included on a state rail plan. Funds must be obligated by 09/30/12.
FRA	Capital Grants to Amtrak	470	850	\$450 million for capital security grants; \$850 million for capital grants. No funds may be used for operating costs. Not more than 60%/grants may go toward Northeast Corridor projects.
FTA	Transit Capital Assistance	7,700	6,900	\$100 million set aside for discretionary grants to reduce energy consumption of public trans systems. Remaining funds must be apportioned to states and transit agencies by formula within 21 days of enactment. 50% of funds must be obligated within 180 days of apportionment; remaining 50% must be obligated within 1 year.
FTA	Fixed Guideway Infrastructure	1,300	750	Distributed by formula to states and transit agencies. Funds must be apportioned to states and transit agencies within 21 days of enactment. 50% of funds must be obligated within 180 days of apportionment; remaining 50% must be obligated within 1 year.
FTA	Capital Investment Grants	1,560	750	Discretionary grants to transit agencies for approved and existing New Starts and Small Starts projects.
HHS-CDC	Prevention & Wellness fund		1,000	Funds targeted to programs largely at discretion of CDC/HHS
HUD	Public and Indian Housing - Public Housing Capital Fund	2,440	4,000	\$3billion to public housing agencies by formula; \$1billion to PHAs in competitive grants.
HUD	Community Development Block Grant	3,590	1,000	
HUD	Neighborhood Stabilization Program	N/A	2,000	Competitive grants to states, local government, and nonprofits.

Interior	Wildfire Hazard Reduction	358	500	Increases funds for state and private lands from \$48 million to \$250 million. The state cost share is waived. All funds must be obligated by 9/30/10.
Justice	Byrne JAG	170.4	2,000	Formula grants; available FY09-FY10.
Justice	Byrne competitive grants	16	225	Competitive grants; available FY09-FY10.
Justice	Violence Against Women	183.8	225	Formula grants; \$50 million for transitional housing assistance; available FY09-FY10.
Justice	Victim compensation	0	100	Formula grants; available FY09-FY10.
Labor	WIA Adult Program	849	500	Formula grants to states available for obligation on date of enactment.
Labor	WIA Youth Program	924	1,200	Formula grants to states available for obligation on date of enactment. Funding includes summer jobs programs. Bill changes the eligibility age from 21 to 24 years.
Labor	WIA Dislocated Worker	1,117	1,250	Formula grants to states available for obligation on date of enactment.
Labor	Community Service Employment for Older Americans	522	120	22% of the funds are allocated to States, and 78% go to national organizations that compete to provide services. Funds for existing Community Service Employment Program (CSEP) grantees available for obligation on date of enactment.
Labor	WIA Dislocated Worker National Reserve	402	200	Secretary's discretionary funding for National Emergency Grants (NEGs) to states.
Labor	High Growth and Emerging Industry Grants	0	750	Competitive grants to states for worker training and placement in high growth and emerging industries. \$500 million is reserved for energy efficiency and renewable energy sectors.
Labor	State Employment Service	703	400	Formula grants to states. \$250 million is designated for Reemployment Service Grants (RES) to serve Unemployment Insurance recipients.
Labor	Extension of Unemployment Benefits	----	----	Provides qualifying individuals with 20 weeks of federally funded extended UI benefits and 13 additional weeks in high unemployment states thru 12/31/2009.
Labor	Weekly Unemployment Insurance Benefit Increase	-----	-----	States voluntarily select to increase state UI benefits by \$25/ week/eligible individual thru 12/31/2009. Full reimbursement paid to states by the federal government.
Labor	Unemployment Insurance Modernization	0	500	Special transfers to state UI accounts for FY2009 for administration.
Labor	Unemployment Insurance Modernization	0	7,000	Incentive grants to states for enacting UI reforms. To access incentive funds, the state must currently have specific unemployment laws or enact specific legislative changes.
Labor	State Loans from Federal Unemployment Account	----	----	Temporarily waives interest accrual and interest payments on state loans from the FUA used to pay state Unemployment Insurance benefits. The provision is in effect from the date of enactment to 12/31/10.

Labor	Trade Adjustment Assistance - Training	220	575	Expands TAA and Alternative TAA (" <i>wage insurance</i> " for older workers) for qualifying trade-affected individuals and extends reauthorization thru 12/31/2010.
Labor	Trade Adjustment Assistance - Communities	0	180	Discretionary grants to states for a new Sector Partnerships Program and Community College and Career Training Program.
Labor	Trade Adjustment Assistance - Case management	0	350,000 thousand per state	Set grant amount provided to each state for case management services.
USDA	Rural Broadband Infrastructure: USDA - Rural Utilities Service	6.4	2,500	Loans, grants, and loan guarantees for open access broadband infrastructure projects that serve rural areas primarily; projects funded are ineligible for funding under the Broadband Technology Opportunities Program; states are specifically eligible for grants - historically the money for loan and loan guarantees has been designated for other entities. 15% match requirement for grants.
VA	State Extended Care Facilities Grants	175	150	Competitive grants; available FY09-FY10.

APPENDIX C: SAFETY NET

The ARRA provides significant funding increases for a number of human services, health, employment and other safety net programs. This additional support is intended to provide relief for lower-income families and others hardest hit by the recession. In addition, the funding will assist fiscally constrained state and local governments as they manage administrative and operational challenges stemming from the rise in demand for programs and services. Economists agree that increased assistance to low-income families has the most immediate stimulative effect on the economy because those with the least amount of financial security traditionally engage in more immediate consumption and are less likely to divert those resources into savings or debt reduction. Safety net programs also provide education and training for America's workforce, ensuring that there is a supply of qualified workers as new jobs become available.

SAFETY NET PROGRAMS				
Federal Dept.	Program Title or Description	ARRA Appropriations (in millions of dollars)		Comments
		FY08	ARRA	
AG	Supplemental Nutrition Assistance Program (SNAP)	39,700	20,000	13.6% benefit increase, plus grants to states for administration (\$145 million for FY09 and \$150 million for FY10).
EDU	Rehabilitation Services and Assistance	3,280	680	540 million for state grants under part B of title I of the Rehabilitation Act \$140 million for state grants for independent living under parts B and C of chapter 1 and chapter 2 of title VII of the Rehabilitation Act
HHS-ACF	Temporary Assistance for Needy Families (TANF)	16,500	5,000	Grants to states experiencing increases in caseload or expenditures and 2-year extension of supplemental grants.
HHS-ACF	Child Care Development Block Grant (CCDBG)	2,000	2,000	
HHS-ACF	Community Services Block Grant (CSBG)	654	1,000	
HHS-CMS	Transitional Medical Assistance (TMA) extension	1,000	1,300	Extension of otherwise expiring current law for 7/1/09-12/30/10. State legislative approval may be needed.
HHS-CMS	Qualifying Individuals (QI-1) extension	500	550	Extension of otherwise expiring current law for 1/1/10-12/30/10
HUD	Public and Indian Housing - Public Housing Capital Fund	2,440	4,000	\$3billion to public housing agencies by formula; \$1billion to PHAs in competitive grants.
HUD	HOME Investment Partnerships	1,700	2,250	
HUD	Homelessness Prevention Fund	1,580	1,500	
HUD	Neighborhood Stabilization Program	N/A	2,000	Competitive grants to states, local government, and nonprofits.
Labor	Extension of Unemployment Benefits			20 weeks of federally funded extended benefits; 13 additional weeks in high unemployment states.

APPENDIX D: FOUNDATIONS FOR ECONOMIC GROWTH

Introduction

As mentioned, AARA provides states an unprecedented opportunity to build the types of foundations that are critical to economic growth and competitiveness in a global economy. These foundations are important because they provide the basis for long-run job and productivity growth. The four areas are described briefly below. Every state should strongly consider establishing a strategic planning effort for each area to maximize public and private investments; avoid duplication or conflicts; and coordinate activities across a wide array of institutions, including businesses, universities, community colleges, and research centers.

Alternative Energy, Energy Efficiency, and Green Jobs

- Numerous alternative energy, energy efficiency, and green jobs programs are included in the ARRA, totaling some \$25 Billion, not including funds for school construction. They fall mainly under the Department of Energy but also involve the departments of Education, Labor, and Housing and Urban Development. They span the areas of alternative energy development; energy efficiency improvements to homes, schools, and industry; smart grid and transmission enhancements; fossil energy R&D; alternative fueled vehicles; and workforce programs to promote green jobs (i.e., careers in energy efficiency and alternative energy). States would be eligible recipients in 14 of the 20 programs identified. Remaining programs target businesses, universities, or non-state entities that could support state efforts and may call for state-sponsored outreach and technical assistance efforts. In addition, the legislation contains a dozen tax credit, bond, and loan guarantee measures supporting alternative energy development, energy conservation, energy research, and development.
- Many of the ARRA provisions entail enhancements to existing programs; however, some of the enhancements represent substantial increases to current funding and will require expansions, as in the case of State Energy Program (a 70-fold increase over FY08 appropriation) and the Weatherization Program (a 20-fold increase over FY08 appropriation). In addition, there are some new programs like the Energy Efficiency and Conservation Block Grants that will need to be established. The most significant flexible addition would be funds provided to the State Energy Program, which can be utilized to pursue a wide range of activities.
- Governors will face three major issues specific to this area of funding:
 - First, governors may want to consider whether the current structure of their state energy office needs to be enhanced, including elevating it to a cabinet level, as has been done in about a dozen states. Through the ARRA, state energy offices will receive considerable increases in funding and responsibility. In addition, they will need to be able to coordinate state efforts across a wide range of agencies and stakeholders and with local entities.
 - Second, governors may need to prioritize some portion of the more flexible energy funding and leverage existing programs to assist with energy workforce development. Successfully spending the ARRA funds will hinge on having an adequate number of trained energy workers available to conduct energy audits; install renewable energy devices, insulation, advanced lighting, HVAC, and other technologies; and perform operations and maintenance functions. This is in addition to the upstream demands on manufacturing that will be generated. Some ARRA funds are available to support workforce development, but demand already outpaces supply in some states, and the rise in demand nationally will further strain the system.
 - Third, to receive a portion of the energy related funding, governors will need to provide written assurances that the appropriate state or local bodies in their state are pursuing actions on electricity sector rate “decoupling” (adjusting utility profits to be independent of electricity sold) and state energy building code enhancements.. This will entail the governor taking actions

such as petitioning the state public utility regulatory body to implement decoupling and encouraging the state legislature to upgrade state residential and commercial energy building codes.

Health Information Technology (Health IT)

- The ARRA has three major components relating to the development of health IT that will be of interest to states: (1) a grant program for states (or state-designated entities) to plan for and help build an electronic health records (HER) exchange; (2) a loan program, to be administered by states, to help providers purchase the equipment they need to “plug into” the exchange; and (3) financial assistance to providers through Medicaid for the purchase and use of health IT equipment, with no matching funds required.
- The bill gives the states a great deal of responsibility for planning and helping create a nationwide EHR exchange. States will need to develop capacity in their Medicaid programs and other agencies to deliver and oversee the provider payments for EHRs.
- States receiving health IT grants will need to move quickly to create a business and oversight plan for the exchange—which includes choosing how patient records will be transmitted, stored, and protected and how the exchange will be financed. It appears that the grants could also be used to purchase and house the exchange directly or support industry-based construction.
- Governors will need to focus on three major activities to get the full advantage of this funding: (1) Agency capacity and potential legislation will be needed to get the Medicaid-based incentives implemented and ensure accountability; (2) states should immediately begin planning with stakeholders how to govern an EHR exchange and how to ensure standards-based purchases by providers; and (3) states will need to work with HHS and begin their own planning efforts to design grant and loan programs that reflect state interests and contribute to other health care reform efforts.

Broadband

- The ARRA includes \$7.2 billion for broadband-related provisions. Of this amount, \$2.5 billion will flow through the U.S. Department of Agriculture’s Rural Utilities Services Distance Learning, Telemedicine, and Broadband Program to be used for building broadband infrastructure in rural areas without sufficient access to high-speed broadband service. The remaining amount, \$4.7 billion, will flow through the U.S. Department of Commerce’s National Telecommunications and Information Administration (NTIA) Broadband Technology Opportunities Program (TOP) to provide funds for accelerating broadband deployment in unserved and underserved communities and to strategic institutions that are likely to create jobs or provide significant public benefits.
- Given the economic impact of investing in broadband, these programs could be very beneficial to states in terms of economic development. The Information Technology & Innovation Foundation estimates that 498,000 total jobs will be created from a \$10 billion investment in broadband infrastructure. Connected Nation projects that a 7 percent rise in broadband adoption would create 2.4 million U.S. jobs, with an annual economic benefit of \$134 billion.
- States are to use grant funds primarily for building out broadband services to rural, unserved, and underserved communities; expand awareness, education, and training; and identify and track the availability and adoption of broadband services. NTIA is tasked with developing and maintaining a nationwide broadband inventory map.

- Governors will need to move quickly in the following areas:
 - Create a Strategic Plan: Because states are only one eligible entity under these grant programs, governors should quickly designate a broadband advisor or agency to assemble potential grantees and other stakeholders. These stakeholders will create a “high-level” strategic plan for broadband deployment to coordinate investments. Many governors have already created a broadband advisory group. The task is to ensure the right people are included and that the governor assigns the strategic planning assignment with the goal of expanding broadband to rural areas. States should utilize existing public-private partnerships and/or form new ones that will be most effective in building out broadband service. It is also important for stakeholders to assess rural accessibility in relation to what service is provided to urban/suburban areas. This will help to coordinate existing investments with those provided by the stimulus.
 - Create a Statewide Broadband Inventory Map: With funds available through the grant programs, governors should task the broadband advisor with creating a state broadband availability map to identify unserved and underserved areas. Governors can use this map to inform decisionmaking about where the investments in broadband should be focused. States should quickly gather existing availability information from service providers that will feed into the strategic planning.

Research and Development

- Because most states have strategies to build innovation capacity to spur long-term economic growth, they should be aware that ARRA includes increased federal investment in research and development, research equipment, and research facilities. Overall, there may be as much as \$21.5 billion in new federal R&D money, including \$18 billion for research and \$3.5 billion for R&D facilities. The majority of this money will be available to universities and research institutes and awarded through a competitive process run by federal agencies such as National Science Foundation, National Institutes of Health, and Department of Energy.
- The key requirements and issues for states to consider include:
 - States may want to use the additional R&D and infrastructure funding to enhance the strengths of their universities and research institutes or seek to build new institutes where the opportunity exists.
 - States will need to act quickly. Nearly all of the funding will be awarded within 120 days of when the President signs the bill into law, with staggered deadlines of 30 days for formula funds, 90 days for competitive grants, and 120 days for competitive grants in brand-new programs.
 - As a result, governors may want to coordinate in-state efforts by universities, research institutes, and industry to pursue these new funds.
 - No state match is required for research grants; state or university matching is required for most construction and equipment grants.

APPENDIX E: FEDERAL TAX CHANGES

Nearly 40 percent of the ARRA is dedicated to tax law changes to promote private investment, provide tax relief to individuals, and loosen credit markets. Although the tax provisions deal with federal taxes, those states coupled with federal income tax laws may experience revenue losses from some of the tax law changes. The act also includes provisions meant to address the difficulty states are experiencing in raising capital. Even highly rated public issuers now wait longer and offer higher interest rates than before to attract investors. Several provisions in the ARRA are intended to boost the public bond market through new tax credit programs and changes to existing bond programs that could loosen credit markets and encourage more public issuers to go to market.

TAXES/BONDS				
Federal Dept.	Program Title or Description	ARRA Appropriations (in millions of dollars)		Comments
		<i>FY08</i>	<i>ARRA</i>	
TAX PROVISIONS				
INDIVIDUALS				
IRS	Sales Tax Deduction for Vehicle Purchases		1,684	Provides all taxpayers with a deduction for State and local sales and excise taxes paid on the purchase of new cars, light truck, recreational vehicles, and motorcycles through 2009.
IRS	Temporary Suspension of taxation of unemployment benefits		4,740	Temporarily suspends federal income tax on the first \$2,400 of unemployment benefits per recipient.
HOUSING				
IRS	Low-income housing grants in lieu of tax credits		3,006	Permits states to elect to substitute a portion of low-income housing credit allocation for 2009 for grants. State housing agencies would receive a grant equal to up to 85% of 40% of the state's low-income housing tax credit allocation in lieu of the low-income housing tax credits they would have received.
BUSINESS				
IRS	Extension/bonus depreciation		5,074	Extends authority for business to recover the costs of capital expenditures made in 2009 by allowing them to immediately write off 50% of cost.
IRS	Extend/enhanced small business expensing		41	Last year, Congress temporarily increased the amount that small businesses could write-off for capital expenditures incurred in 2008 to \$250,000 and increased the phase-out threshold for 2008 to \$800,000. The act extends these temporary increases for capital expenditures incurred in 2009.
IRS	5Y NOL carry-back		947	For 2008 and 2009, the act extends the maximum carryback period for net operating losses from 2 years to 5 years.

STATE & LOCAL	<i>Bond Provisions Generally</i>			<i>Note: The Act mandates that wage requirements under the Davis-Bacon Act apply to the Recovery Zone Economic Development Bonds, Qualified Zone Academy Bonds, Qualified School Construction Bonds, Clean Renewable Energy Bonds and the Qualified Energy Conservation Bonds.</i>
IRS	De Minimus Safe Harbor Exception		3234	Allows banks to deduct 80% of the carrying costs of purchasing all types of tax exempt bonds issued in 2009 and 2010 provided no more than 2% of a bank's assets comprise those bonds..
IRS	"Qualified Small Issuer" Exception			Encourages financial institutions to invest in tax-exempt bonds issued in 2009 and 2010 by raising the annual issuance threshold for qualified small issuers to \$30 million from \$10 million.
IRS	Temporary Modification of AMT Limit		555	Eliminates the application of the AMT on all bonds issued in 2009 and 2010, including refunding of bonds that were initially issued after 2003.
IRS	Withholding Tax on Government Contractors		291	Delays until 2012 law requiring withholding at a three percent rate on certain payments to persons providing property or services made by federal, state, and local governments.
IRS	AMT exclusion/all Private activity tax exempt bonds		555	Excludes interest earned on all private activity tax exempt bonds issued during 2009 and 2010, including the refunding of bonds issued after 2003, from the alternative minimum tax (AMT).
IRS	Qualified School Construction Bonds		9,970	Creates new category/tax credit bonds to finance repair/renovation (existing schools) and build new public schools; 11 billion annual allotment for 2009-2010 (60%/states; 40%/large school districts).
IRS	Qualified Zone Activity Bonds (QZABs)		1,000	Increases to \$1.4 billion annual issuing authority (2009-2010)/states for bonds to finance repair/renovation; financing new construction is ineligible use.
IRS	Taxable Bond Option for state/locals (Build America Bonds)		4,348	New option for states to issue taxable rather than tax-exempt bonds for 2009 and 2010; issuer may opt to receive direct federal payment (35%/interest costs) for 2009 and 2010 issues in lieu of interest subsidy/35% refundable tax credit to investor.

IRS	Recovery Zone Bonds		5,371	New taxable (Recovery Zone Economic Development bonds/\$10 billion annual allocation) and tax-exempt (Recovery Zone Facility private activity/\$15 billion annual allocation) categories for use in "recovery zones," which are designated areas with significant unemployment, poverty, and home foreclosure rates. Both bond categories allocated to the states in proportion to their respective 2008 job losses, with sub-allocations to counties and large municipalities within a state also made based on relative job losses. States would receive a minimum allocation of .9%. Bonds must be issued by 01/01/11. For taxable bonds state issuer would receive a 45 percent reimbursement of interest paid, with no option to apply the credit to investors.
ENERGY	Clean renewable energy bonds (CREB) for State and local governments		578	Increases annual allotment by \$1.6 billion for existing tax credit authority used to finance renewable energy facilities. States, local, and tribal governments eligible for one-third of annual allocation; remainder to public power providers and electric cooperatives.
IRS	Energy Conservation Bonds		803	Increases annual allotment by \$2.4 billion for existing tax credit bond authority for green community programs, including financing loans to homeowners for energy retrofits.
IRS	Addition of Permanent Sequestration Requirement to CO2 Capture Tax Credit		0	Requires that any taxpayer claiming the \$10 credit per ton for carbon dioxide captured and transported for use in enhanced oil recovery must also ensure that such carbon dioxide is permanently stored in a geologic formation.

**APPENDIX F: EXAMPLES OF GOVERNORS' ACTIONS
TO MANAGE AND COORDINATE STATE RESPONSES TO THE ARRA**

- Alabama – Governor Bob Riley has hired two former state finance officials to oversee the stimulus money.
- California – Every agency is part of a working group to constantly monitor the implementation of the stimulus.
- Colorado – Eleven transportation commissioners will determine which projects to fund based, in part by recommendations for local governments and planners.
- Connecticut – Governor Rell has created a working group of municipal officials, business leaders, legislators and state agencies to determine the final list of stimulus projects.
- Florida – Governor Crist has announced that he will chair a sixteen member Federal Stimulus Working Group that will include the lieutenant governor, the governor's chief of staff, the state budget director and twelve state agency heads. The group has been directed to begin reviewing the best use of federal stimulus funds and to plan for the distribution of the monies by identifying critical program and infrastructure needs.
- Indiana – Governor Daniels has created two parallel efforts. The state OMB director will head a team to analyze formula spending. The Secretary of Commerce and the Chairman of the Economic Development Corporation will prepare a strategy for competitive grants. In addition, a task force of key department and agency heads and the governor's policy director will meet regularly with the governor to provide up-to-date information.
- Kansas – Governor Sebelius has assembled a group of key state officials, including four representatives appointed by state legislative leaders, to better prepare Kansas for the use of new federal funds. The group is named The American Recovery and Reinvestment Act Advisory Group. They have also launched a web site.
- Maine – Governor John Baldacci says he will seek guidance from lawmakers and, while legislative input is not required, he plans to provide legislative leaders with an opportunity to review a plan for spending the stimulus.
- Massachusetts - Governor Patrick appointed Jeffrey Simon, a senior real estate professional as Director of Infrastructure Reinvestment and promised comprehensive oversight and unprecedented transparency.
- Minnesota – Governor Pawlenty has named state Management and Budget Director Tom Hanson to serve as Federal Stimulus Coordinator.
- Missouri – Governor Nixon appointed twenty-six members to a new Economic Stimulus Coordination Council.
- New Hampshire – Governor John Lynch has tapped a former state attorney general to manage stimulus funds.

- New Jersey – Governor Corzine has formed a federal stimulus working group to spearhead New Jersey’s efforts in maximizing federal economic stimulus aid and a second group to monitor job creation resulting from his Economic Assistance and Recovery Plan.
- New York – Governor Paterson has created the New York State Economic Recovery and Reinvestment Cabinet to manage the development and state and local infrastructure projects financed through the ARRA. The Cabinet will oversee the distribution of federal funds throughout the state for projects involving transportation, water and sewer, energy, technology and other infrastructure. It will work closely with local governments to ensure federal dollars reach critical projects and put people to work as quickly as possible.
- North Carolina – Governor Perdue has established the Office of Economic Recovery & Reinvestment to coordinate and track North Carolina’s handling of federal stimulus funds as well as state-level economic recovery initiatives. The office will be led by Dempsey Benton, former secretary of the state Health and Human Services Department.
- North Dakota – Governor Hoeven plans to hire a senior staff member to oversee the implementation of stimulus funds.
- Ohio – Governor Strickland has created an Infrastructure Czar and has appointed the president and CEO of the Cleveland Foundation to that new position.
- Oklahoma – Governor Henry is considering an executive order assigning oversight responsibilities to a task force comprised of affected state agencies, private sector representatives and, possibly, members of the legislature. The governor is also considering working with the State Auditor in establishing reporting systems and providing public access to allow for citizen review of the implementation process.
- Oregon - Governor Ted Kulongoski created a new public-private advisory council called The Oregon Way Advisory Group to use Oregon’s green advantage to maximize potential grants from the federal economic recovery package to create jobs immediately and for the long term.
- Puerto Rico – Governor Fortuno is working to centralize oversight by selecting one state agency to serve as “project manager” and authorizing that agency to subcontract with private firms to manage specific program components and to coordinate reporting efforts.
- Utah – Governor Huntsman’s Office of Planning and Budget is coordinating planning for the distribution of federal funds. It has solicited suggestions of the best use of funds from state agencies and from outside of state government.
- Vermont – Governor Douglas has created a Vermont Federal Recovery Office to expedite projects when federal funds are received.
- Virginia – Governor Tim Kaine is taking a grass-roots approach to planning for the stimulus package and has set up a website seeking input from citizens, local governments and community groups.
- Washington – Governor Gregoire has named a former head of the Office of Financial Management, Dick Thompson, to lead state efforts to protect existing jobs and accelerate job creation.
- Wisconsin – Governor Doyle created an Office of Recovery and Reinvestment. Gary Wolter, President and CEO of Madison Gas and Electric will head the office on a voluntary basis.

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SARAH PALIN, GOVERNOR

P.O. BOX 110020
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March 2, 2009

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Co-Chairs Hoffman and Stedman:

The enclosed documents are being provided as requested today by the committee regarding SB 124, relating to the federal economic stimulus bill:

1. H.R. 1--Title VI--Department of Homeland Security
2. H.R. 1--Title XIII--Transportation and Housing and Urban Development, and related agencies
3. H.R. 1--Sec. 1607. (a) Certification by Governor
4. Governor Actions required
5. Key State Deadlines

Please contact me if you have additional questions.

Sincerely,



Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance Division
Senate Finance Committee members

TITLE VI—DEPARTMENT OF HOMELAND SECURITY

OFFICE OF THE UNDER SECRETARY FOR MANAGEMENT

For an additional amount for the "Office of the Under Secretary for Management", \$200,000,000 for planning, design, construction costs, site security, information technology infrastructure, fixtures, and related costs to consolidate the Department of Homeland Security headquarters: *Provided*, That no later than 60 days after the date of enactment of this Act, the Secretary of Homeland Security, in consultation with the Administrator of General Services, shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds.

OFFICE OF INSPECTOR GENERAL

For an additional amount for the "Office of Inspector General", \$5,000,000, to remain available until September 30, 2012, for oversight and audit of programs, grants, and projects funded under this title.

U.S. CUSTOMS AND BORDER PROTECTION

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses", \$160,000,000, of which \$100,000,000 shall be for the procurement and deployment of non-intrusive inspection systems; and of which \$60,000,000 shall be for procurement and deployment of tactical communications equipment and radios: *Provided*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for expenditure of these funds.

BORDER SECURITY FENCING, INFRASTRUCTURE, AND TECHNOLOGY

For an additional amount for "Border Security Fencing, Infrastructure, and Technology", \$100,000,000 for expedited development and deployment of border security technology on the Southwest border: *Provided*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for expenditure of these funds.

CONSTRUCTION

For an additional amount for "Construction", \$420,000,000 solely for planning, management, design, alteration, and construction of U.S. Customs and Border Protection owned land border ports of entry: *Provided*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for expenditure of these funds.

H. R. 1—49

U.S. IMMIGRATION AND CUSTOMS ENFORCEMENT

AUTOMATION MODERNIZATION

For an additional amount for "Automation Modernization", \$20,000,000 for the procurement and deployment of tactical communications equipment and radios: *Provided*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for expenditure of these funds.

TRANSPORTATION SECURITY ADMINISTRATION

AVIATION SECURITY

For an additional amount for "Aviation Security", \$1,000,000,000 for procurement and installation of checked baggage explosives detection systems and checkpoint explosives detection equipment: *Provided*, That the Assistant Secretary of Homeland Security (Transportation Security Administration) shall prioritize the award of these funds to accelerate the installations at locations with completed design plans: *Provided further*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds.

COAST GUARD

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For an additional amount for "Acquisition, Construction, and Improvements", \$98,000,000 for shore facilities and aids to navigation facilities; for priority procurements due to materials and labor cost increases; and for costs to repair, renovate, assess, or improve vessels: *Provided*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds.

ALTERATION OF BRIDGES

For an additional amount for "Alteration of Bridges", \$142,000,000 for alteration or removal of obstructive bridges, as authorized by section 6 of the Truman-Hobbs Act (33 U.S.C. 516): *Provided*, That the Coast Guard shall award these funds to those bridges that are ready to proceed to construction: *Provided further*, That no later than 45 days after the date of enactment of this Act, the Secretary of Homeland Security shall submit to the Committees on Appropriations of the Senate and the House of Representatives a plan for the expenditure of these funds.

H. R. 1—50

FEDERAL EMERGENCY MANAGEMENT AGENCY

STATE AND LOCAL PROGRAMS

For an additional amount for grants, \$300,000,000, to be allocated as follows:

(1) \$150,000,000 for Public Transportation Security Assistance and Railroad Security Assistance under sections 1406 and 1513 of the Implementing Recommendations of the 9/11 Commission Act of 2007 (Public Law 110-53; 6 U.S.C. 1135 and 1163).

(2) \$150,000,000 for Port Security Grants in accordance with 46 U.S.C. 70107, notwithstanding 46 U.S.C. 70107(c).

FIREFIGHTER ASSISTANCE GRANTS

For an additional amount for competitive grants, \$210,000,000 for modifying, upgrading, or constructing non-Federal fire stations: *Provided*, That up to 5 percent shall be for program administration: *Provided further*, That no grant shall exceed \$15,000,000.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

Notwithstanding section 417(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the amount of any such loan issued pursuant to this section for major disasters occurring in calendar year 2008 may exceed \$5,000,000, and may be equal to not more than 50 percent of the annual operating budget of the local government in any case in which that local government has suffered a loss of 25 percent or more in tax revenues: *Provided*, That the cost of modifying such loans shall be as defined in section 502 of the Congressional Budget Act of 1974 (2 U.S.C. 661a).

EMERGENCY FOOD AND SHELTER

For an additional amount to carry out the emergency food and shelter program pursuant to title III of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11331 et seq.), \$100,000,000: *Provided*, That total administrative costs shall not exceed 3.5 percent of the total amount made available under this heading.

GENERAL PROVISIONS—THIS TITLE

SEC. 601. Notwithstanding any other provision of law, the President shall establish an arbitration panel under the Federal Emergency Management Agency public assistance program to expedite the recovery efforts from Hurricanes Katrina and Rita within the Gulf Coast Region. The arbitration panel shall have sufficient authority regarding the award or denial of disputed public assistance applications for covered hurricane damage under section 403, 406, or 407 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b, 5172, or 5173) for a project the total amount of which is more than \$500,000.

SEC. 602. The Administrator of the Federal Emergency Management Agency may not prohibit or restrict the use of funds designated under the hazard mitigation grant program for damage caused by Hurricanes Katrina and Rita if the homeowner who is an applicant for assistance under such program commenced work

otherwise eligible for hazard mitigation grant program assistance under section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c) without approval in writing from the Administrator.

SEC. 603. Subparagraph (E) of section 34(a)(1) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2229a(a)(1)(E)) shall not apply with respect to funds appropriated in this or any other Act making appropriations for fiscal year 2009 or 2010 for grants under such section 34.

SEC. 604. (a) REQUIREMENT.—Except as provided in subsections (c) through (g), funds appropriated or otherwise available to the Department of Homeland Security may not be used for the procurement of an item described in subsection (b) if the item is not grown, reprocessed, reused, or produced in the United States.

(b) COVERED ITEMS.—An item referred to in subsection (a) is any of the following, if the item is directly related to the national security interests of the United States:

(1) An article or item of—

(A) clothing and the materials and components thereof, other than sensors, electronics, or other items added to, and not normally associated with, clothing (and the materials and components thereof);

(B) tents, tarpaulins, covers, textile belts, bags, protective equipment (including but not limited to body armor), sleep systems, load carrying equipment (including but not limited to fieldpacks), textile marine equipment, parachutes, or bandages;

(C) cotton and other natural fiber products, woven silk or woven silk blends, spun silk yarn for cartridge cloth, synthetic fabric or coated synthetic fabric (including all textile fibers and yarns that are for use in such fabrics), canvas products, or wool (whether in the form of fiber or yarn or contained in fabrics, materials, or manufactured articles); or

(D) any item of individual equipment manufactured from or containing such fibers, yarns, fabrics, or materials.

(c) AVAILABILITY EXCEPTION.—Subsection (a) does not apply to the extent that the Secretary of Homeland Security determines that satisfactory quality and sufficient quantity of any such article or item described in subsection (b)(1) grown, reprocessed, reused, or produced in the United States cannot be procured as and when needed at United States market prices. This section is not applicable to covered items that are, or include, materials determined to be non-available in accordance with Federal Acquisition Regulation 25.104 Nonavailable Articles.

(d) DE MINIMIS EXCEPTION.—Notwithstanding subsection (a), the Secretary of Homeland Security may accept delivery of an item covered by subsection (b) that contains non-compliant fibers if the total value of non-compliant fibers contained in the end item does not exceed 10 percent of the total purchase price of the end item.

(e) EXCEPTION FOR CERTAIN PROCUREMENTS OUTSIDE THE UNITED STATES.—Subsection (a) does not apply to the following:

(1) Procurements by vessels in foreign waters.

(2) Emergency procurements.

(f) EXCEPTION FOR SMALL PURCHASES.—Subsection (a) does not apply to purchases for amounts not greater than the simplified

acquisition threshold referred to in section 2304(g) of title 10, United States Code.

(g) **APPLICABILITY TO CONTRACTS AND SUBCONTRACTS FOR PROCUREMENT OF COMMERCIAL ITEMS.**—This section is applicable to contracts and subcontracts for the procurement of commercial items not withstanding section 34 of the Office of Federal Procurement Policy Act (41 U.S.C. 430), with the exception of commercial items listed under subsections (b)(1)(C) and (b)(1)(D) above. For the purposes of this section, "commercial" shall be as defined in the Federal Acquisition Regulation—Part 2.

(h) **GEOGRAPHIC COVERAGE.**—In this section, the term "United States" includes the possessions of the United States.

(i) **NOTIFICATION REQUIRED WITHIN 7 DAYS AFTER CONTRACT AWARD IF CERTAIN EXCEPTIONS APPLIED.**—In the case of any contract for the procurement of an item described in subsection (b)(1), if the Secretary of Homeland Security applies an exception set forth in subsection (c) with respect to that contract, the Secretary shall, not later than 7 days after the award of the contract, post a notification that the exception has been applied on the Internet site maintained by the General Services Administration known as FedBizOps.gov (or any successor site).

(j) **TRAINING DURING FISCAL YEAR 2009.**—

(1) **IN GENERAL.**—The Secretary of Homeland Security shall ensure that each member of the acquisition workforce in the Department of Homeland Security who participates personally and substantially in the acquisition of textiles on a regular basis receives training during fiscal year 2009 on the requirements of this section and the regulations implementing this section.

(2) **INCLUSION OF INFORMATION IN NEW TRAINING PROGRAMS.**—The Secretary shall ensure that any training program for the acquisition workforce developed or implemented after the date of the enactment of this Act includes comprehensive information on the requirements described in paragraph (1).

(k) **CONSISTENCY WITH INTERNATIONAL AGREEMENTS.**— This section shall be applied in a manner consistent with United States obligations under international agreements.

(l) **EFFECTIVE DATE.**—This section applies with respect to contracts entered into by the Department of Homeland Security 180 days after the date of the enactment of this Act.

TITLE VII—INTERIOR, ENVIRONMENT, AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For an additional amount for "Management of Lands and Resources", for activities on all Bureau of Land Management lands including maintenance, rehabilitation, and restoration of facilities, property, trails and lands and for remediation of abandoned mines and wells, \$125,000,000.

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CAPITAL INVESTMENT FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Capital Investment Fund", \$290,000,000, for information technology security and upgrades to support mission-critical operations, of which up to \$38,000,000 shall be transferred to, and merged with, funds made available under the heading "Capital Investment Fund" of the United States Agency for International Development: *Provided*, That the Secretary of State and the Administrator of the United States Agency for International Development shall coordinate information technology systems, where appropriate, to increase efficiencies and eliminate redundancies, to include co-location of backup information management facilities, and shall submit to the Committees on Appropriations within 90 days of enactment of this Act a detailed spending plan for funds appropriated under this heading.

OFFICE OF INSPECTOR GENERAL

For an additional amount for "Office of Inspector General" for oversight requirements, \$2,000,000.

INTERNATIONAL COMMISSIONS

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

CONSTRUCTION

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for "Construction" for the water quantity program to meet immediate repair and rehabilitation requirements, \$220,000,000: *Provided*, That up to \$2,000,000 may be transferred to, and merged with, funds available under the heading "International Boundary and Water Commission, United States and Mexico—Salaries and Expenses": *Provided further*, That the Secretary of State shall submit to the Committees on Appropriations within 90 days of enactment of this Act a detailed spending plan for funds appropriated under this heading.

TITLE XII—TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SUPPLEMENTAL DISCRETIONARY GRANTS FOR A NATIONAL SURFACE TRANSPORTATION SYSTEM

For an additional amount for capital investments in surface transportation infrastructure, \$1,500,000,000, to remain available through September 30, 2011: *Provided*, That the Secretary of Transportation shall distribute funds provided under this heading as discretionary grants to be awarded to State and local governments or transit agencies on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area,

or a region: *Provided further*, That projects eligible for funding provided under this heading shall include, but not be limited to, highway or bridge projects eligible under title 23, United States Code, including interstate rehabilitation, improvements to the rural collector road system, the reconstruction of overpasses and interchanges, bridge replacements, seismic retrofit projects for bridges, and road realignments; public transportation projects eligible under chapter 53 of title 49, United States Code, including investments in projects participating in the New Starts or Small Starts programs that will expedite the completion of those projects and their entry into revenue service; passenger and freight rail transportation projects; and port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement: *Provided further*, That of the amount made available under this paragraph, the Secretary may use an amount not to exceed \$200,000,000 for the purpose of paying the subsidy and administrative costs of projects eligible for federal credit assistance under chapter 6 of title 23, United States Code, if the Secretary finds that such use of the funds would advance the purposes of this paragraph: *Provided further*, That in distributing funds provided under this heading, the Secretary shall take such measures so as to ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities: *Provided further*, That a grant funded under this heading shall be not less than \$20,000,000 and not greater than \$300,000,000: *Provided further*, That the Secretary may waive the minimum grant size cited in the preceding proviso for the purpose of funding significant projects in smaller cities, regions, or States: *Provided further*, That not more than 20 percent of the funds made available under this paragraph may be awarded to projects in a single State: *Provided further*, That the Federal share of the costs for which an expenditure is made under this heading may be up to 100 percent: *Provided further*, That the Secretary shall give priority to projects that require a contribution of Federal funds in order to complete an overall financing package, and to projects that are expected to be completed within 3 years of enactment of this Act: *Provided further*, That the Secretary shall publish criteria on which to base the competition for any grants awarded under this heading not later than 90 days after enactment of this Act: *Provided further*, That the Secretary shall require applications for funding provided under this heading to be submitted not later than 180 days after the publication of such criteria, and announce all projects selected to be funded from such funds not later than 1 year after enactment of this Act: *Provided further*, That projects conducted using funds provided under this heading must comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code: *Provided further*, That the Secretary may retain up to \$1,500,000 of the funds provided under this heading, and may transfer portions of those funds to the Administrators of the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration and the Maritime Administration, to fund the award and oversight of grants made under this heading.

FEDERAL AVIATION ADMINISTRATION

SUPPLEMENTAL FUNDING FOR FACILITIES AND EQUIPMENT

For an additional amount for necessary investments in Federal Aviation Administration infrastructure, \$200,000,000, to remain available through September 30, 2010: *Provided*, That funding provided under this heading shall be used to make improvements to power systems, air route traffic control centers, air traffic control towers, terminal radar approach control facilities, and navigation and landing equipment: *Provided further*, That priority be given to such projects or activities that will be completed within 2 years of enactment of this Act: *Provided further*, That amounts made available under this heading may be provided through grants in addition to the other instruments authorized under section 106(1)(6) of title 49, United States Code: *Provided further*, That the Federal share of the costs for which an expenditure is made under this heading shall be 100 percent: *Provided further*, That amounts provided under this heading may be used for expenses the agency incurs in administering this program: *Provided further*, That not more than 60 days after enactment of this Act, the Administrator shall establish a process for applying, reviewing and awarding grants and cooperative and other transaction agreements, including the form and content of an application, and requirements for the maintenance of records that are necessary to facilitate an effective audit of the use of the funding provided: *Provided further*, That section 50101 of title 49, United States Code, shall apply to funds provided under this heading.

GRANTS-IN-AID FOR AIRPORTS

For an additional amount for "Grants-In-Aid for Airports", to enable the Secretary of Transportation to make grants for discretionary projects as authorized by subchapter 1 of chapter 471 and subchapter 1 of chapter 475 of title 49, United States Code, and for the procurement, installation and commissioning of runway incursion prevention devices and systems at airports of such title, \$1,100,000,000, to remain available through September 30, 2010: *Provided*, That such funds shall not be subject to apportionment formulas, special apportionment categories, or minimum percentages under chapter 471: *Provided further*, That the Secretary shall distribute funds provided under this heading as discretionary grants to airports, with priority given to those projects that demonstrate to his satisfaction their ability to be completed within 2 years of enactment of this Act, and serve to supplement and not supplant planned expenditures from airport-generated revenues or from other State and local sources on such activities: *Provided further*, That the Secretary shall award grants totaling not less than 50 percent of the funds made available under this heading within 120 days of enactment of this Act, and award grants for the remaining amounts not later than 1 year after enactment of this Act: *Provided further*, That the Federal share payable of the costs for which a grant is made under this heading shall be 100 percent: *Provided further*, That the amount made available under this heading shall not be subject to any limitation on obligations for the Grants-in-Aid for Airports program set forth in any Act: *Provided further*, That the Administrator of the Federal Aviation Administration may retain up to 0.2 percent of the funds provided under this

heading to fund the award and oversight by the Administrator of grants made under this heading.

FEDERAL HIGHWAY ADMINISTRATION

HIGHWAY INFRASTRUCTURE INVESTMENT

For an additional amount for restoration, repair, construction and other activities eligible under paragraph (b) of section 133 of title 23, United States Code, and for passenger and freight rail transportation and port infrastructure projects eligible for assistance under subsection 601(a)(8) of such title, \$27,500,000,000, to remain available through September 30, 2010: *Provided*, That, after making the set-asides required under this heading, 50 percent of the funds made available under this heading shall be apportioned to States using the formula set forth in section 104(b)(3) of title 23, United States Code, and the remaining funds shall be apportioned to States in the same ratio as the obligation limitation for fiscal year 2008 was distributed among the States in accordance with the formula specified in section 120(a)(6) of division K of Public Law 110-161: *Provided further*, That funds made available under this heading shall be apportioned not later than 21 days after the date of enactment of this Act: *Provided further*, That in selecting projects to be carried out with funds apportioned under this heading, priority shall be given to projects that are projected for completion within a 3-year time frame, and are located in economically distressed areas as defined by section 301 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3161): *Provided further*, That 120 days following the date of such apportionment, the Secretary of Transportation shall withdraw from each State an amount equal to 50 percent of the funds awarded to that State (excluding funds suballocated within the State) less the amount of funding obligated (excluding funds suballocated within the State), and the Secretary shall redistribute such amounts to other States that have had no funds withdrawn under this proviso in the manner described in section 120(c) of division K of Public Law 110-161: *Provided further*, That 1 year following the date of such apportionment, the Secretary shall withdraw from each recipient of funds apportioned under this heading any unobligated funds, and the Secretary shall redistribute such amounts to States that have had no funds withdrawn under this proviso (excluding funds suballocated within the State) in the manner described in section 120(c) of division K of Public Law 110-161: *Provided further*, That at the request of a State, the Secretary of Transportation may provide an extension of such 1-year period only to the extent that he feels satisfied that the State has encountered extreme conditions that create an unworkable bidding environment or other extenuating circumstances: *Provided further*, That before granting such an extension, the Secretary shall send a letter to the House and Senate Committees on Appropriations that provides a thorough justification for the extension: *Provided further*, That 3 percent of the funds apportioned to a State under this heading shall be set aside for the purposes described in subsection 133(d)(2) of title 23, United States Code (without regard to the comparison to fiscal year 2005): *Provided further*, That 30 percent of the funds apportioned to a State under this heading shall be suballocated within the State in the manner and for the purposes described in the first sentence of subsection

133(d)(3)(A), in subsection 133(d)(3)(B), and in subsection 133(d)(3)(D): *Provided further*, That such suballocation shall be conducted in every State: *Provided further*, That funds suballocated within a State to urbanized areas and other areas shall not be subject to the redistribution of amounts required 120 days following the date of apportionment of funds provided under this heading: *Provided further*, That of the funds provided under this heading, \$105,000,000 shall be for the Puerto Rico highway program authorized under section 165 of title 23, United States Code, and \$45,000,000 shall be for the territorial highway program authorized under section 215 of title 23, United States Code: *Provided further*, That of the funds provided under this heading, \$60,000,000 shall be for capital expenditures eligible under section 147 of title 23, United States Code (without regard to subsection(d)): *Provided further*, That the Secretary of Transportation shall distribute such \$60,000,000 as competitive discretionary grants to States, with priority given to those projects that demonstrate to his satisfaction their ability to be completed within 2 years of enactment of this Act: *Provided further*, That of the funds provided under this heading, \$550,000,000 shall be for investments in transportation at Indian reservations and Federal lands: *Provided further*, That of the funds identified in the preceding proviso, \$310,000,000 shall be for the Indian Reservation Roads program, \$170,000,000 shall be for the Park Roads and Parkways program, \$60,000,000 shall be for the Forest Highway Program, and \$10,000,000 shall be for the Refuge Roads program: *Provided further*, That for investments at Indian reservations and Federal lands, priority shall be given to capital investments, and to projects and activities that can be completed within 2 years of enactment of this Act: *Provided further*, That 1 year following the enactment of this Act, to ensure the prompt use of the \$550,000,000 provided for investments at Indian reservations and Federal lands, the Secretary shall have the authority to redistribute unobligated funds within the respective program for which the funds were appropriated: *Provided further*, That up to 4 percent of the funding provided for Indian Reservation Roads may be used by the Secretary of the Interior for program management and oversight and project-related administrative expenses: *Provided further*, That section 134(f)(3)(C)(ii)(II) of title 23, United States Code, shall not apply to funds provided under this heading: *Provided further*, That of the funds made available under this heading, \$20,000,000 shall be for highway surface transportation and technology training under section 140(b) of title 23, United States Code, and \$20,000,000 shall be for disadvantaged business enterprises bonding assistance under section 332(e) of title 49, United States Code: *Provided further*, That funds made available under this heading shall be administered as if apportioned under chapter 1 of title 23, United States Code, except for funds made available for investments in transportation at Indian reservations and Federal lands, and for the territorial highway program, which shall be administered in accordance with chapter 2 of title 23, United States Code, and except for funds made available for disadvantaged business enterprises bonding assistance, which shall be administered in accordance with chapter 3 of title 49, United States Code: *Provided further*, That the Federal share payable on account of any project or activity carried out with funds made available under this heading shall be, at the option of the recipient, up to 100 percent of the total cost thereof: *Provided further*, That

funds made available by this Act shall not be obligated for the purposes authorized under section 115(b) of title 23, United States Code: *Provided further*, That funding provided under this heading shall be in addition to any and all funds provided for fiscal years 2009 and 2010 in any other Act for "Federal-aid Highways" and shall not affect the distribution of funds provided for "Federal-aid Highways" in any other Act: *Provided further*, That the amount made available under this heading shall not be subject to any limitation on obligations for Federal-aid highways or highway safety construction programs set forth in any Act: *Provided further*, That section 1101(b) of Public Law 109-59 shall apply to funds apportioned under this heading: *Provided further*, That the Administrator of the Federal Highway Administration may retain up to \$40,000,000 of the funds provided under this heading to fund the oversight by the Administrator of projects and activities carried out with funds made available to the Federal Highway Administration in this Act, and such funds shall be available through September 30, 2012.

FEDERAL RAILROAD ADMINISTRATION

CAPITAL ASSISTANCE FOR HIGH SPEED RAIL CORRIDORS AND INTERCITY PASSENGER RAIL SERVICE

For an additional amount for section 501 of Public Law 110-432 and discretionary grants to States to pay for the cost of projects described in paragraphs (2)(A) and (2)(B) of section 24401 of title 49, United States Code, subsection (b) of section 24105 of such title, \$8,000,000,000, to remain available through September 30, 2012: *Provided*, That the Secretary of Transportation shall give priority to projects that support the development of intercity high speed rail service: *Provided further*, That within 60 days of the enactment of this Act, the Secretary shall submit to the House and Senate Committees on Appropriations a strategic plan that describes how the Secretary will use the funding provided under this heading to improve and deploy high speed passenger rail systems: *Provided further*, That within 120 days of enactment of this Act, the Secretary shall issue interim guidance to applicants covering grant terms, conditions, and procedures until final regulations are issued: *Provided further*, That such interim guidance shall provide separate instructions for the high speed rail corridor program, capital assistance for intercity passenger rail service grants, and congestion grants: *Provided further*, That the Secretary shall waive the requirement that a project conducted using funds provided under this heading be in a State rail plan developed under chapter 227 of title 49, United States Code: *Provided further*, That the Federal share payable of the costs for which a grant is made under this heading shall be, at the option of the recipient, up to 100 percent: *Provided further*, That projects conducted using funds provided under this heading must comply with the requirements of subchapter IV of chapter 31 of title 40, United States Code: *Provided further*, That section 24105 of title 49, United States Code, shall apply to funds provided under this heading: *Provided further*, That the Administrator of the Federal Railroad Administration may retain up to one-quarter of 1 percent of the funds provided under this heading to fund the award and oversight by the Administrator of grants made under this heading, and funds retained for said purposes shall remain available through September 30, 2014.

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CAPITAL GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount for the National Railroad Passenger Corporation (Amtrak) to enable the Secretary of Transportation to make capital grants to Amtrak as authorized by section 101(c) of the Passenger Rail Investment and Improvement Act of 2008 (Public Law 110-432), \$1,300,000,000, to remain available through September 30, 2010, of which \$450,000,000 shall be used for capital security grants: *Provided*, That priority for the use of non-security funds shall be given to projects for the repair, rehabilitation, or upgrade of railroad assets or infrastructure, and for capital projects that expand passenger rail capacity including the rehabilitation of rolling stock: *Provided further*, That none of the funds under this heading shall be used to subsidize the operating losses of Amtrak: *Provided further*, That funds provided under this heading shall be awarded not later than 30 days after the date of enactment of this Act: *Provided further*, That the Secretary shall take measures to ensure that projects funded under this heading shall be completed within 2 years of enactment of this Act, and shall serve to supplement and not supplant planned expenditures for such activities from other Federal, State, local and corporate sources: *Provided further*, That the Secretary shall certify to the House and Senate Committees on Appropriations in writing compliance with the preceding proviso: *Provided further*, That not more than 60 percent of the funds provided for non-security activities under this heading may be used for capital projects along the Northeast Corridor: *Provided further*, That of the funding provided under this heading, \$5,000,000 shall be made available for the Amtrak Office of Inspector General and made available through September 30, 2013.

FEDERAL TRANSIT ADMINISTRATION

TRANSIT CAPITAL ASSISTANCE

For an additional amount for transit capital assistance grants authorized under section 5302(a)(1) of title 49, United States Code, \$6,900,000,000, to remain available through September 30, 2010: *Provided*, That the Secretary of Transportation shall provide 80 percent of the funds appropriated under this heading for grants under section 5307 of title 49, United States Code, and apportion such funds in accordance with section 5336 of such title (other than subsections (i)(1) and (j)): *Provided further*, That the Secretary shall apportion 10 percent of the funds appropriated under this heading in accordance with section 5340 of such title: *Provided further*, That the Secretary shall provide 10 percent of the funds appropriated under this heading for grants under section 5311 of title 49, United States Code, and apportion such funds in accordance with such section: *Provided further*, That funds apportioned under this heading shall be apportioned not later than 21 days after the date of enactment of this Act: *Provided further*, That 180 days following the date of such apportionment, the Secretary shall withdraw from each urbanized area or State an amount equal to 50 percent of the funds apportioned to such urbanized areas or States less the amount of funding obligated, and the Secretary shall redistribute such amounts to other urbanized areas or States that have had no funds withdrawn under this proviso utilizing whatever method he deems appropriate to ensure that all funds

redistributed under this proviso shall be utilized promptly: *Provided further*, That 1 year following the date of such apportionment, the Secretary shall withdraw from each urbanized area or State any unobligated funds, and the Secretary shall redistribute such amounts to other urbanized areas or States that have had no funds withdrawn under this proviso utilizing whatever method he deems appropriate to ensure that all funds redistributed under this proviso shall be utilized promptly: *Provided further*, That at the request of an urbanized area or State, the Secretary of Transportation may provide an extension of such 1-year period if he feels satisfied that the urbanized area or State has encountered an unworkable bidding environment or other extenuating circumstances: *Provided further*, That before granting such an extension, the Secretary shall send a letter to the House and Senate Committees on Appropriations that provides a thorough justification for the extension: *Provided further*, That of the funds provided for section 5311 of title 49, United States Code, 2.5 percent shall be made available for section 5311(c)(1): *Provided further*, That of the funding provided under this heading, \$100,000,000 shall be distributed as discretionary grants to public transit agencies for capital investments that will assist in reducing the energy consumption or greenhouse gas emissions of their public transportation systems: *Provided further*, That for such grants on energy-related investments, priority shall be given to projects based on the total energy savings that are projected to result from the investment, and projected energy savings as a percentage of the total energy usage of the public transit agency: *Provided further*, That applicable chapter 53 requirements shall apply to funding provided under this heading, except that the Federal share of the costs for which any grant is made under this heading shall be, at the option of the recipient, up to 100 percent: *Provided further*, That the amount made available under this heading shall not be subject to any limitation on obligations for transit programs set forth in any Act: *Provided further*, That section 1101(b) of Public Law 109-59 shall apply to funds appropriated under this heading: *Provided further*, That the funds appropriated under this heading shall not be commingled with any prior year funds: *Provided further*, That notwithstanding any other provision of law, three-quarters of 1 percent of the funds provided for grants under section 5307 and section 5340, and one-half of 1 percent of the funds provided for grants under section 5311, shall be available for administrative expenses and program management oversight, and such funds shall be available through September 30, 2012.

FIXED GUIDEWAY INFRASTRUCTURE INVESTMENT

For an amount for capital expenditures authorized under section 5309(b)(2) of title 49, United States Code, \$750,000,000, to remain available through September 30, 2010: *Provided*, That the Secretary of Transportation shall apportion funds under this heading pursuant to the formula set forth in section 5337 of title 49, United States Code: *Provided further*, That the funds appropriated under this heading shall not be commingled with any prior year funds: *Provided further*, That funds made available under this heading shall be apportioned not later than 21 days after the date of enactment of this Act: *Provided further*, That 180 days following the date of such apportionment, the Secretary shall

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withdraw from each urbanized area an amount equal to 50 percent of the funds apportioned to such urbanized area less the amount of funding obligated, and the Secretary shall redistribute such amounts to other urbanized areas that have had no funds withdrawn under this proviso utilizing whatever method he or she deems appropriate to ensure that all funds redistributed under this proviso shall be utilized promptly: *Provided further*, That 1 year following the date of such apportionment, the Secretary shall withdraw from each urbanized area any unobligated funds, and the Secretary shall redistribute such amounts to other urbanized areas that have had no funds withdrawn under this proviso utilizing whatever method he or she deems appropriate to ensure that all funds redistributed under this proviso shall be utilized promptly: *Provided further*, That at the request of an urbanized area, the Secretary of Transportation may provide an extension of such 1-year period if he or she feels satisfied that the urbanized area has encountered an unworkable bidding environment or other extenuating circumstances: *Provided further*, That before granting such an extension, the Secretary shall send a letter to the House and Senate Committees on Appropriations that provides a thorough justification for the extension: *Provided further*, That applicable chapter 53 requirements shall apply except that the Federal share of the costs for which a grant is made under this heading shall be, at the option of the recipient, up to 100 percent: *Provided further*, That the provisions of section 1101(b) of Public Law 109-59 shall apply to funds made available under this heading: *Provided further*, That notwithstanding any other provision of law, up to 1 percent of the funds under this heading shall be available for administrative expenses and program management oversight and shall remain available for obligation until September 30, 2012.

CAPITAL INVESTMENT GRANTS

For an additional amount for "Capital Investment Grants", as authorized under section 5338(c)(4) of title 49, United States Code, and allocated under section 5309(m)(2)(A) of such title, to enable the Secretary of Transportation to make discretionary grants as authorized by section 5309(d) and (e) of such title, \$750,000,000, to remain available through September 30, 2010: *Provided*, That such amount shall be allocated without regard to the limitation under section 5309(m)(2)(A)(i): *Provided further*, That in selecting projects to be funded, priority shall be given to projects that are currently in construction or are able to obligate funds within 150 days of enactment of this Act: *Provided further*, That the provisions of section 1101(b) of Public Law 109-59 shall apply to funds made available under this heading: *Provided further*, That funds appropriated under this heading shall not be commingled with any prior year funds: *Provided further*, That applicable chapter 53 requirements shall apply, except that notwithstanding any other provision of law, up to 1 percent of the funds provided under this heading shall be available for administrative expenses and program management oversight, and shall remain available through September 30, 2012.

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MARITIME ADMINISTRATION

SUPPLEMENTAL GRANTS FOR ASSISTANCE TO SMALL SHIPYARDS

To make grants to qualified shipyards as authorized under section 3508 of Public Law 110-417 or section 54101 of title 46, United States Code, \$100,000,000, to remain available through September 30, 2010: *Provided*, That the Secretary of Transportation shall institute measures to ensure that funds provided under this heading shall be obligated within 180 days of the date of their distribution: *Provided further*, That the Maritime Administrator may retain and transfer to "Maritime Administration, Operations and Training" up to 2 percent of the funds provided under this heading to fund the award and oversight by the Administrator of grants made under this heading.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For an additional amount for necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, \$20,000,000, to remain available through September 30, 2013: *Provided*, That the funding made available under this heading shall be used for conducting audits and investigations of projects and activities carried out with funds made available in this Act to the Department of Transportation: *Provided further*, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. App. 3), to investigate allegations of fraud, including false statements to the Government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department.

GENERAL PROVISION—DEPARTMENT OF TRANSPORTATION

SEC. 1201. (a) MAINTENANCE OF EFFORT.—Not later than 30 days after the date of enactment of this Act, for each amount that is distributed to a State or agency thereof from an appropriation in this Act for a covered program, the Governor of the State shall certify to the Secretary of Transportation that the State will maintain its effort with regard to State funding for the types of projects that are funded by the appropriation. As part of this certification, the Governor shall submit to the Secretary of Transportation a statement identifying the amount of funds the State planned to expend from State sources as of the date of enactment of this Act during the period beginning on the date of enactment of this Act through September 30, 2010, for the types of projects that are funded by the appropriation.

(b) FAILURE TO MAINTAIN EFFORT.—

If a State is unable to maintain the level of effort certified pursuant to subsection (a), the State will be prohibited by the Secretary of Transportation from receiving additional limitation pursuant to the redistribution of the limitation on obligations for Federal-aid highway and highway safety construction programs that occurs after August 1 for fiscal year 2011.

(c) PERIODIC REPORTS.—

(1) **IN GENERAL.**—Notwithstanding any other provision of law, each grant recipient shall submit to the covered agency from which they received funding periodic reports on the use of the funds appropriated in this Act for covered programs. Such reports shall be collected and compiled by the covered agency and transmitted to Congress. Covered agencies may develop such reports on behalf of grant recipients to ensure the accuracy and consistency of such reports.

(2) **CONTENTS OF REPORTS.**—For amounts received under each covered program by a grant recipient under this Act, the grant recipient shall include in the periodic reports information tracking—

(A) the amount of Federal funds appropriated, allocated, obligated, and outlayed under the appropriation;

(B) the number of projects that have been put out to bid under the appropriation and the amount of Federal funds associated with such projects;

(C) the number of projects for which contracts have been awarded under the appropriation and the amount of Federal funds associated with such contracts;

(D) the number of projects for which work has begun under such contracts and the amount of Federal funds associated with such contracts;

(E) the number of projects for which work has been completed under such contracts and the amount of Federal funds associated with such contracts;

(F) the number of direct, on-project jobs created or sustained by the Federal funds provided for projects under the appropriation and, to the extent possible, the estimated indirect jobs created or sustained in the associated supplying industries, including the number of job-years created and the total increase in employment since the date of enactment of this Act; and

(G) for each covered program report information tracking the actual aggregate expenditures by each grant recipient from State sources for projects eligible for funding under the program during the period beginning on the date of enactment of this Act through September 30, 2010, as compared to the level of such expenditures that were planned to occur during such period as of the date of enactment of this Act.

(3) **TIMING OF REPORTS.**—Each grant recipient shall submit the first of the periodic reports required under this subsection not later than 90 days after the date of enactment of this Act and shall submit updated reports not later than 180 days, 1 year, 2 years, and 3 years after such date of enactment.

(d) **DEFINITIONS.**—In this section, the following definitions apply:

(1) **COVERED AGENCY.**—The term “covered agency” means the Office of the Secretary of Transportation, the Federal Aviation Administration, the Federal Highway Administration, the Federal Railroad Administration, the Federal Transit Administration and the Maritime Administration of the Department of Transportation.

(2) **COVERED PROGRAM.**—The term “covered program” means funds appropriated in this Act for “Supplemental Discretionary Grants for a National Surface Transportation System”

to the Office of the Secretary of Transportation, for "Supplemental Funding for Facilities and Equipment" and "Grants-in-Aid for Airports" to the Federal Aviation Administration; for "Highway Infrastructure Investment" to the Federal Highway Administration; for "Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service" and "Capital Grants to the National Railroad Passenger Corporation" to the Federal Railroad Administration; for "Transit Capital Assistance", "Fixed Guideway Infrastructure Investment", and "Capital Investment Grants" to the Federal Transit Administration; and "Supplemental Grants for Assistance to Small Shipyards" to the Maritime Administration.

(3) GRANT RECIPIENT.—The term "grant recipient" means a State or other recipient of assistance provided under a covered program in this Act. Such term does not include a Federal department or agency.

(e) Notwithstanding any other provision of law, sections 3501–3521 of title 44, United States Code, shall not apply to the provisions of this section.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

PUBLIC HOUSING CAPITAL FUND

For an additional amount for the "Public Housing Capital Fund" to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) (the "Act"), \$4,000,000,000, to remain available until September 30, 2011: *Provided*, That the Secretary of Housing and Urban Development shall distribute \$3,000,000,000 of this amount by the same formula used for amounts made available in fiscal year 2008, except that the Secretary may determine not to allocate funding to public housing agencies currently designated as troubled or to public housing agencies that elect not to accept such funding: *Provided further*, That the Secretary shall obligate funds allocated by formula within 30 days of enactment of this Act: *Provided further*, That the Secretary shall make available \$1,000,000,000 by competition for priority investments, including investments that leverage private sector funding or financing for renovations and energy conservation retrofit investments: *Provided further*, That the Secretary shall obligate competitive funding by September 30, 2009: *Provided further*, That public housing authorities shall give priority to capital projects that can award contracts based on bids within 120 days from the date the funds are made available to the public housing authorities: *Provided further*, That public housing agencies shall give priority consideration to the rehabilitation of vacant rental units: *Provided further*, That public housing agencies shall prioritize capital projects that are already underway or included in the 5-year capital fund plans required by the Act (42 U.S.C. 1437c-1(a)): *Provided further*, That notwithstanding any other provision of law, (1) funding provided under this heading may not be used for operating or rental assistance activities, and (2) any restriction of funding to replacement housing uses shall be inapplicable: *Provided further*, That notwithstanding any other provision of law, the Secretary shall institute measures to ensure that funds provided under this heading

H. R. 1—189

LIMIT ON FUNDS

SEC. 1604. None of the funds appropriated or otherwise made available in this Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

BUY AMERICAN

SEC. 1605. USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS. (a) None of the funds appropriated or otherwise made available by this Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States.

(b) Subsection (a) shall not apply in any case or category of cases in which the head of the Federal department or agency involved finds that—

(1) applying subsection (a) would be inconsistent with the public interest;

(2) iron, steel, and the relevant manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or

(3) inclusion of iron, steel, and manufactured goods produced in the United States will increase the cost of the overall project by more than 25 percent.

(c) If the head of a Federal department or agency determines that it is necessary to waive the application of subsection (a) based on a finding under subsection (b), the head of the department or agency shall publish in the Federal Register a detailed written justification as to why the provision is being waived.

(d) This section shall be applied in a manner consistent with United States obligations under international agreements.

WAGE RATE REQUIREMENTS

SEC. 1606. Notwithstanding any other provision of law and in a manner consistent with other provisions in this Act, all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to this Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and section 3145 of title 40, United States Code.

ADDITIONAL FUNDING DISTRIBUTION AND ASSURANCE OF
APPROPRIATE USE OF FUNDS

~~SEC. 1607~~ (a) CERTIFICATION BY GOVERNOR.—Not later than 45 days after the date of enactment of this Act, for funds provided to any State or agency thereof, the Governor of the State shall certify that: (1) the State will request and use funds provided by this Act; and (2) the funds will be used to create jobs and promote economic growth.

(b) ACCEPTANCE BY STATE LEGISLATURE.—If funds provided to any State in any division of this Act are not accepted for use by the Governor, then acceptance by the State legislature, by means of the adoption of a concurrent resolution, shall be sufficient to provide funding to such State.

(c) DISTRIBUTION.—After the adoption of a State legislature's concurrent resolution, funding to the State will be for distribution to local governments, councils of government, public entities, and public-private entities within the State either by formula or at the State's discretion.

ECONOMIC STABILIZATION CONTRACTING

SEC. 1608. REFORM OF CONTRACTING PROCEDURES UNDER EESA. Section 107(b) of the Emergency Economic Stabilization Act of 2008 (12 U.S.C. 5217(b)) is amended by inserting "and individuals with disabilities and businesses owned by individuals with disabilities (for purposes of this subsection the term 'individual with disability' has the same meaning as the term 'handicapped individual' as that term is defined in section 3(f) of the Small Business Act (15 U.S.C. 632(f)), after "(12 U.S.C. 1441a(r)(4)),".

SEC. 1609. (a) FINDINGS.—

(1) The National Environmental Policy Act protects public health, safety and environmental quality: by ensuring transparency, accountability and public involvement in federal actions and in the use of public funds;

(2) When President Nixon signed the National Environmental Policy Act into law on January 1, 1970, he said that the Act provided the "direction" for the country to "regain a productive harmony between man and nature";

(3) The National Environmental Policy Act helps to provide an orderly process for considering federal actions and funding decisions and prevents litigation and delay that would otherwise be inevitable and existed prior to the establishment of the National Environmental Policy Act.

(b) Adequate resources within this bill must be devoted to ensuring that applicable environmental reviews under the National Environmental Policy Act are completed on an expeditious basis and that the shortest existing applicable process under the National Environmental Policy Act shall be utilized.

(c) The President shall report to the Senate Environment and Public Works Committee and the House Natural Resources Committee every 90 days following the date of enactment until September 30, 2011 on the status and progress of projects and activities funded by this Act with respect to compliance with National Environmental Policy Act requirements and documentation.

SEC. 1610. (a) None of the funds appropriated or otherwise made available by this Act, for projects initiated after the effective date of this Act, may be used by an executive agency to enter into any Federal contract unless such contract is entered into in accordance with the Federal Property and Administrative Services Act (41 U.S.C. 253) or chapter 137 of title 10, United States Code, and the Federal Acquisition Regulation, unless such contract is otherwise authorized by statute to be entered into without regard to the above referenced statutes.

(b) All projects to be conducted under the authority of the Indian Self-Determination and Education Assistance Act, the Tribally-Controlled Schools Act, the Sanitation and Facilities Act, the

Sections in American Recovery and Reinvestment Act of 2009 requiring Governor action:

--Sec. 410(a). Additional State Energy Grants. Grants in excess of state base allocation under the Energy Policy Conservation Act require governor to notify the Secretary of Energy that the governor has obtained certain necessary assurances spelled out in bill.

--Sec. 1201(a). Within 30 days of enactment (3/19/09), for each appropriation distributed to state or agency for a covered program, governor shall certify to Secretary of Transportation that state will maintain its effort with regard to state funding for types of projects funded by appropriation. Governor shall submit statement to Secretary identifying amount of funds state planned to expend from state sources as of date of enactment (2/17/09) through 9/30/10 for types of projects funded by appropriation.

--Sec. 14001. Grants from State Fiscal Stabilization Fund. (f) Governor shall return any funds within two years of receipt if not awarded or otherwise granted.

--Sec. 14002. Grants from State Fiscal Stabilization Fund. (a)(1) Governor shall use 81.8% of grants for support of elementary, secondary, postsecondary education, and as applicable, early childhood education programs and services.

--(a)(2) and (3) sets forth the order in which funds should be expended.

--(b)(1) Governor shall use 18.2% of grants for public safety and other gov't services, including education

--(b)(2) All institutions of higher education eligible for funds under (b)(1) – this may preempt our constitutional prohibition against appropriating funds for private or religious schools.

--Sec. 14005. Governor to apply for sec. 14001 grants. Sec'y of Education to set the timing and requirements for grant applications.

--Sec. 14005(c). Governor to apply for sec. 14006 state incentive grants.

--Sec. 14008. Requires annual state report on use and impact of fiscal stabilization funds.

--Sec. 1511. For covered funds made available for infrastructure investment, governor shall certify that the investment has received full review and vetting required by law and governor accepts responsibility that it is an appropriate use of taxpayer dollars. Investment must be described – total cost, funds used. Certification must be posted on a website and linked to federal ARRA website.

--Sec. 1607. Governor shall certify within 45 days of enactment (4/3/09) that for funds provided to state, state will apply for and use ARRA funds and that the funds will be used to create jobs and promote economic growth.

**ECONOMIC STIMULUS
KEY STATE DEADLINES**

DRAFT
(Revised 2-27-09)

DATE	BILL	DEADLINE
March 19, 2009	General Provision for Funding Distributed by the Department of Transportation	Deadline for states to certify to the Secretary of Transportation "that the State will maintain its effort with regard to State funding for the types of projects that are funded by the appropriation."
April 3, 2009	Other General Provisions	Deadline for the Governor of the State to certify that: (1) the State will request and use funds provided by this Act; and (2) the funds will be used to create jobs and promote economic growth.
May 18, 2009	General Provision for Funding Distributed by the Department of Transportation	First Reporting deadline for recipients of grants under this section.
June 17, 2009	Other General Provisions	Deadline for projects to use 50 percent of the funds allocated to them in order to be considered "quick-start."
July 17, 2009	Capital Investment Grants	Projects not under construction by the date of enactment must be able to obligate funds by this date in order to receive priority funding.
July 17, 2009	2009 Neighborhood Stabilization Program	Applications due to HUD for grants to purchase abandoned and foreclosed property for use as affordable housing.
August 16, 2009	General Provision for Funding Distributed by the Department of Transportation	Second Reporting deadline for recipients of grants under this section.
December 1, 2009	Education for the Disadvantaged	Deadline for local educational agencies to file with the state educational agency a school-by school listing of per-pupil expenditures from state and local resources during the 2008-2009 academic year. (See March 31, 2010).
December 31, 2009	Extension of Emergency Unemployment Compensation Program	End of extension of period during which individuals are eligible for extended unemployment benefits.
January 1, 2010	Full Federal Funding of Extended Unemployment Compensation for a Limited Period	End of full federal funding for extended unemployment compensation benefits. (Can be extended; see June 1, 2010).
January 1, 2010	Increase in Unemployment Compensation Benefits	End of period during which federal government will finance extra \$25 per week in unemployment compensation.
February 17, 2010	Clean and Drinking Water State Revolving Funds	Deadline for beginning construction if projects are to receive priority status.

**ECONOMIC STIMULUS
KEY STATE DEADLINES**

DRAFT

(Revised 2-27-09)

DATE	BILL	DEADLINE
February 17, 2010	General Provision for Funding Distributed by the Department of Transportation	Third Reporting deadline for recipients of grants under this section.
February 17, 2010	HOME Investment Partnerships Program	Deadline for state agencies to commit at least 75 percent of the funds.
March 31, 2010	Education for the Disadvantaged	Deadline for state educational agencies to file with the Secretary of Education a school-by-school listing of per-pupil expenditures during the 2008-2009 academic year. (See Dec. 1, 2009).
June 1, 2010	Full Federal Funding of Extended Unemployment Compensation for a Limited Period	End of extension period with respect to certain workers for full federal funding for extended unemployment compensation benefits.
June 30, 2010	Job Corps Centers	Deadline for obligation of construction, rehabilitation, and acquisition funds for Job Corps Centers.
June 30, 2010	Workforce Investment Programs	End of period during which additional Workforce Investment Act funds are available.
September 30, 2010	Community Oriented Policing Services	End of additional funding for career law enforcement officers.
September 30, 2010	Extension of TANF Supplemental Grants	End of extension period for TANF supplemental grants.
September 30, 2010	NSF Research and Related Activities	Extra funding for "research and related activities" is available until this date.
September 30, 2010	Other General Provisions	ALL ARRA funds are available until this date unless otherwise specified.
September 30, 2010	State Unemployment Insurance and Employment Services Grants	End of period during which additional unemployment insurance and employment services funds are available.
December 31, 2010	Extension of the Qualifying Individual Program	End of twelve-month extension of Qualifying Individual Program.
December 31, 2010	Extension of Transitional Medical Assistance ("TMA")	End of eighteen-month extension of work-related TMA.
December 31, 2010	Temporary Increase in Federal Medical Assistance Percentage ("FMAP")	End of period during which each state's FMAP is increased by 6.2 percent.
January 1, 2011	Election to substitute grants to states for low-income housing projects in lieu of low-income housing credit	Deadline for states to use the funds provided for in this section.
February 17, 2011	General Provision for Funding Distributed by the Department of	Fourth Reporting deadline for recipients of grants under this section.

**ECONOMIC STIMULUS
KEY STATE DEADLINES**

DRAFT

(Revised 2-27-09)

DATE	BILL	DEADLINE
	Transportation	
February 17, 2011	Grants-in-Aid to Airports	Projects must be scheduled to be finished by this date in order to receive priority funding.
February 17, 2011	HOME Investment Partnerships Program	Deadline for state agencies to demonstrate that project owners have spent at least 75 percent of the funds.
February 17, 2011	Supplemental Funding for Facilities and Equipment	Projects must be scheduled to be finished by this date in order to receive priority funding.
September 30, 2011	Temporary Increase in Federal Medical Assistance Percentage ("FMAP")	Deadline for states to submit form regarding how additional FMAP funds were expended. (HR1 pg 387)
February 17, 2012	General Provision for Funding Distributed by the Department of Transportation	Final Reporting deadline for recipients of grants under this section.
February 17, 2012	HOME Investment Partnerships Program	Deadline for state agencies to demonstrate that project owners have spent all the funds.
February 17, 2012	Supplemental Discretionary Grants for a National Surface Transportation System	Projects must be scheduled to be finished by this date in order to receive priority funding.

Note: This document is under review by Alaska State Departments and is subject to change as more information becomes available.

3/2/09

SARAH PALIN, GOVERNOR

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
OFFICE OF THE COMMISSIONER

3132 CHANNEL DRIVE
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February 27, 2009

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
State Capitol, Room 518
Juneau, AK 99801

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
State Capitol, Room 516
Juneau, AK 99801

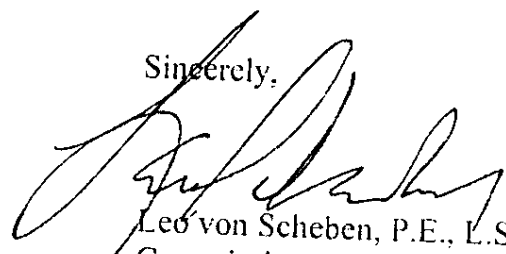
Dear Senator Hoffman and Senator Stedman:

I respectfully request a hearing on SB 124 authorizing the Department of Transportation and Public Facilities (DOT&PF) to apply for funding available through the American Recovery and Reinvestment Act. The bill amends the uncodified law of Alaska. Specifically, DOT&PF is directed to apply to for funds from the Departments of Homeland Security and Transportation.

The bill contains language directing DOT&PF to maximize the funding it applies for and receives.

I look forward to discussing this important piece of legislation with you and your committee.

Sincerely,



Leo von Scheben, P.E., L.S., M.B.A.
Commissioner

cc: Mary Siroky, Legislative Liaison
Frank Richards, Deputy Commissioner for Highways and Public Facilities