

Memorandum



CITY OF DALLAS

DATE January 30, 2009

TO The Honorable Mayor and Members of the City Council

SUBJECT Federal Economic Stimulus Package Briefing

On Wednesday, February 4th, you will be briefed on the federal economic stimulus package currently being debated in Congress. Attached are the briefing materials for your review.

The City's federal lobbyist, Barbara McCall, will be available through a conference call during the briefing to help provide you with the latest information and help answer any questions you may have.

Please contact me if you have any questions.

A handwritten signature in black ink, appearing to read 'MSuhm'.

Mary K. Suhm
City Manager

c: Deborah Watkins, City Secretary
Thomas P. Perkins, Jr., City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge
Ryan S. Evans, First Assistant City Manager
Forest Turner, Interim Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Ramon F. Miguez, P.E., Assistant City Manager
Dave Cook, Chief Financial Officer
Frank Libro, Public Information Office
Helena Stevens-Thompson, Assistant to the City Manager

Federal Economic Stimulus Package

Current Status and Proposed Action Plan



Current Status

- In an effort to improve the current economy and create jobs, Congress is considering passage of a federal economic stimulus package, which includes, among other things, billions of dollars in federal funds for local government initiatives.
- The House recently approved its version of the stimulus package and the Senate is debating its version. Both versions of the bill, known as the American Recovery and Reinvestment Plan, include substantial funding for state and local government programs (see attached).
- Funding for local government initiatives will either be formula based (local governments receive funding automatically through a federally developed formula using a variety of different statistical information) or discretionary (local governments receive funding through a competitive application process – federal agencies make decisions).
- Both the House and Senate bills have billions of dollars in tax provisions, some of which affect local governments (see attached).
- The package is expected to be completed by mid-February, with the President expected to sign the bill shortly thereafter.
- The time frame for securing and spending stimulus funds will be very short. The City of Dallas must be ready to act quickly as funds are made available.

Current Status – House Bill General Provisions

- Formula funds awarded in 30 days (extra 30 days for new programs)
- Discretionary funds awarded in 60 days (extra 30 days for new programs)
- 50% of funds per recipient allocated (contracts or binding commitments) to projects in 1 year, 100% of funds per recipient allocated to projects in 2 years
- No funds to casinos, aquariums, zoos, golf courses or swimming pools
- Creates an Accountability and Transparency Board to oversee and audit stimulus funds
- Grantees must establish a website with details on stimulus spending (how spent, number of jobs created, justification, and local contact information)
- All stimulus funds must use American-made iron and steel
- Davis-Bacon laws apply

Current Status – Senate Bill

General Provisions

- Buy America Act applies to all appropriations in bill
- Creates an Accountability and Transparency Board to oversee and audit stimulus funds
- Governors and Mayors must certify that all stimulus infrastructure investments have received full review and are an appropriate use of tax dollars

Selected Programs of Interest to the City of Dallas

- US Army Corps of Engineers Construction (discretionary)
 - House - \$2 billion
 - Senate - \$2 billion
 - Funds could be used for ongoing construction projects (could expedite the Trinity River Dallas Floodway Extension Project).
- Economic Development Administration (discretionary)
 - House - \$250 million
 - Senate - \$150 million
 - Funds would be directed to states/local governments and redevelopment authorities.
- Wireless and Broadband Development for Underserved/Unserved Areas (discretionary)
 - House - \$2.9 billion
 - Senate – N/A
 - Could be directed to rural or underserved areas (FCC to define “underserved”). Local governments eligible to apply.
- Broadband Technology Opportunities Program (discretionary)
 - House - N/A
 - Senate - \$9 billion
 - Competitive grant for non-recurring broadband deployment costs in unserved or underserved areas. Local governments eligible to apply.

Selected Programs of Interest to the City of Dallas

- Census 2010 (discretionary)
 - House - \$1 billion
 - Senate - \$1 billion
 - Funds directed to the Census Bureau.
- Byrne Justice Assistance Grants (formula)
 - House - \$3 billion
 - Senate - \$1.5 billion
 - Funds would flow directly to local governments. Flexible funding for law enforcement needs distributed according to population and violent crime. Using these appropriation levels, Dallas could receive anywhere from \$5-10 million.
- COPS Hiring Grants (discretionary)
 - House - \$1 billion
 - Senate - \$1 billion
 - Local governments eligible to apply. Funds could be used to enhance public safety efforts in the FY 2009-10 City of Dallas budget.
- Tactical Law Enforcement Wireless Communications (discretionary)
 - House – N/A
 - Senate - \$200 million
 - Local governments eligible to apply. For Wireless Infrastructure Network deployment in high-priority metropolitan areas.

Selected Programs of Interest to the City of Dallas

- **Byrne Competitive Grants (discretionary)**
 - House – N/A
 - Senate - \$440 million
 - Local governments eligible to apply. Flexible funding for law enforcement needs.
- **Violence Against Women (discretionary)**
 - House – N/A
 - Senate - \$250 million
 - Local governments eligible to apply. \$200 million for STOP grants; \$50 million for transitional housing.
- **Weatherization Assistance (formula)**
 - House - \$6.2 billion
 - Senate - \$2.1 billion
 - Funds directed to states and sub-allocated to local action agencies.
- **Bureau of Reclamation (discretionary)**
 - House - \$500 million
 - Senate - \$1.4 billion
 - Local governments eligible to apply. Funds could be used for water reuse projects.

Selected Programs of Interest to the City of Dallas

- Energy Efficiency and Conservation Block Grants (formula)
 - House - \$3.5 billion
 - Senate - \$2.1 billion
 - Funds would flow directly to local governments. New Program. Wide range of uses for energy efficiency and conservation projects. Dallas could receive anywhere from \$10-20 million (formula has never been run), depending on appropriation levels.
- Smart Grid (discretionary)
 - House - \$4.5 billion
 - Senate - \$4.5 billion
 - Local governments and utilities are eligible to apply. Funds would be used for upgrading antiquated electric infrastructure.
- Small Business Administration (discretionary)
 - House - \$426 million
 - Senate - \$620 million
 - Funds would guarantee SBA loans.
- Emergency Operations Centers (discretionary)
 - House – N/A
 - Senate - \$250 million
 - Local governments eligible to apply. Funds used to upgrade EOCs.

Selected Programs of Interest to the City of Dallas

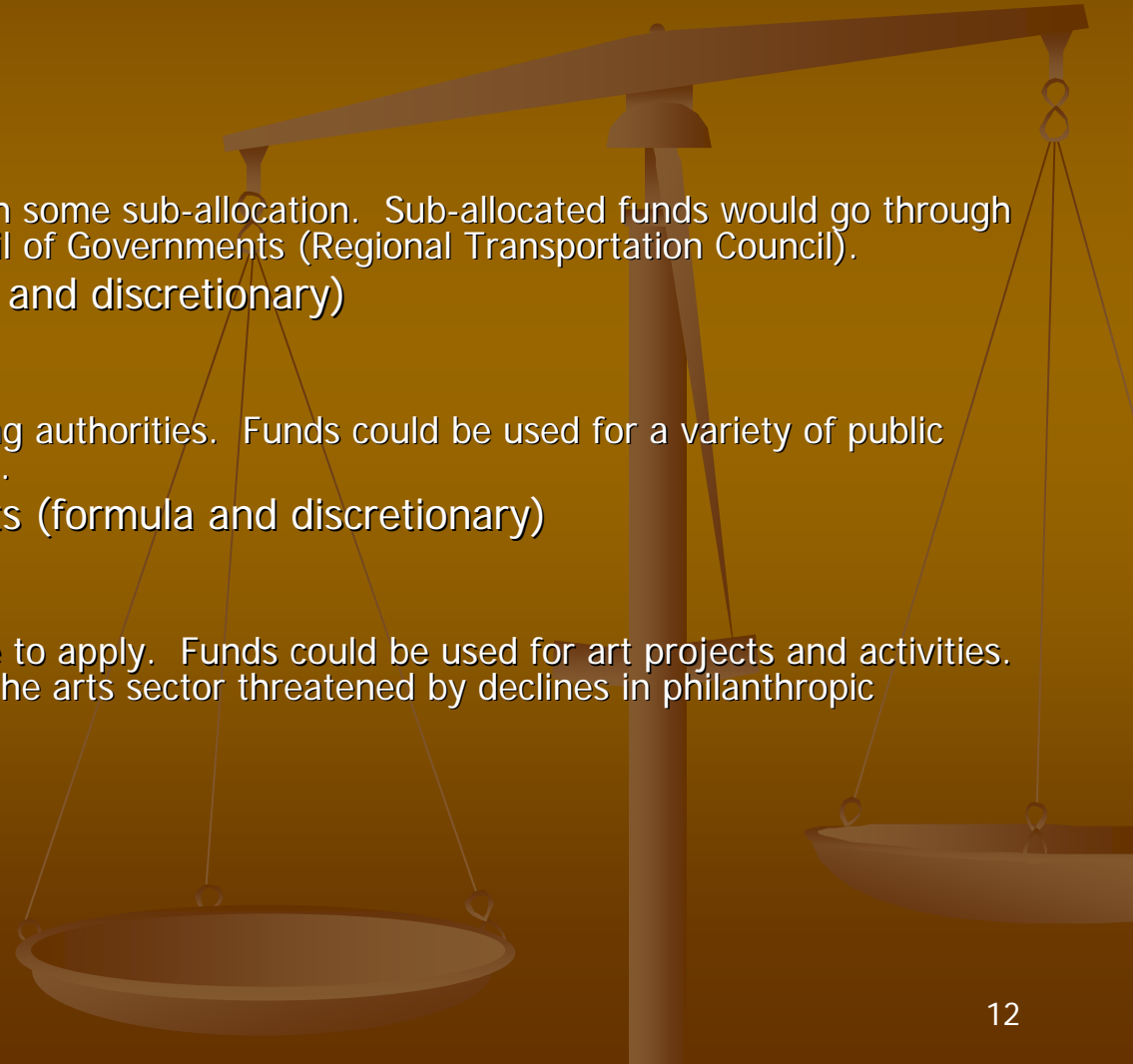
- Critical Infrastructure Upgrades (discretionary)
 - House – N/A
 - Senate - \$500 million
 - Local governments eligible to apply. Funds upgrades to critical infrastructure for protection against all hazards.
- Firefighter Assistance Grants (discretionary)
 - House – N/A
 - Senate \$500 million
 - Local governments eligible to apply. Funds equipment and construction/upgrading of fire stations.
- Emergency Food and Shelter (discretionary)
 - House - \$200 million
 - Senate – N/A
 - Regional boards determine where money is directed.
- Brownfields (discretionary)
 - House - \$100 million
 - Senate - \$100 million
 - Local governments eligible to apply. Funds would be used for assessment and clean-up of contaminated industrial sites.

Selected Programs of Interest to the City of Dallas

- Diesel Emission Reduction Grants (discretionary)
 - House - \$300 million
 - Senate - \$300 million
 - Local Governments eligible to apply. Funds could be used to upgrade fleet.
- Airport Improvement Program (discretionary)
 - House - \$3 billion
 - Senate - \$1.1 billion
 - Local governments eligible to apply. Funds could be used for Love Field modernization.
- Competitive Grants for Transportation (discretionary)
 - House – N/A
 - Senate - \$5.5 billion
 - Local governments eligible to apply. Funds could be used for highway, rail, transit and port infrastructure.
- CDBG (formula)
 - House - \$1 billion
 - Senate – N/A
 - Funds would flow directly to local governments. Using the House appropriation level and existing CDBG formula, Dallas would receive \$6.8 million.

Selected Programs of Interest to the City of Dallas

- Federal Aid Highways (formula)
 - House - \$30 billion
 - Senate - \$27 billion
 - Funds would flow to states with some sub-allocation. Sub-allocated funds would go through the North Central Texas Council of Governments (Regional Transportation Council).
- Public Housing Capital (formula and discretionary)
 - House - \$5 billion
 - Senate - \$5 billion
 - Funds directed to public housing authorities. Funds could be used for a variety of public housing improvement activities.
- National Endowment for the Arts (formula and discretionary)
 - House - \$50 million
 - Senate – N/A
 - States and art agencies eligible to apply. Funds could be used for art projects and activities. Purpose is to preserve jobs in the arts sector threatened by declines in philanthropic support.



Selected Programs of Interest to the City of Dallas

- HOME (formula)
 - House - \$1.5 billion
 - Senate - \$2.25 billion
 - Funds would flow directly to local governments. Using these appropriation levels and the existing HOME formula, Dallas could receive anywhere from \$10-15 million.
- Neighborhood Stabilization Program (discretionary)
 - House - \$4.2 billion
 - Senate - \$2.25 billion
 - Local governments eligible to apply. Funds used to mitigate the effect of foreclosures on neighborhoods. Dallas could receive anywhere from \$4-8 million depending on appropriation levels and discretionary decisions.
- Emergency Shelter Grants (formula)
 - House - \$1.5 billion
 - Senate - \$1.5 billion
 - Funds would flow directly to local governments. Using these appropriation levels and the existing ESG formula, Dallas would receive approximately \$800,000.

Selected Programs of Interest to the City of Dallas

- Elderly, Disabled and Section 8 Housing Energy Retrofits (discretionary)
 - House - \$2.5 billion
 - Senate - \$3.5 billion
 - Funds directed to public housing authorities.
- Clean Water State Revolving Loan Fund (formula)
 - House - \$6 billion
 - Senate - \$4 billion
 - Funds would be directed to states. Local governments eligible to apply through the state. Funds used for wastewater infrastructure.
- Drinking Water State Revolving Loan Fund (formula)
 - House - \$2 billion
 - Senate - \$2 billion
 - Funds would be directed to states. Local governments eligible to apply through the state. Funds used for drinking water infrastructure.
- Lead Hazard Elimination (discretionary)
 - House - \$100 million
 - Senate - \$100 million
 - Local governments eligible to apply.

Considerations



Constraints

- ***Final parameters of stimulus package still unknown***
- Extremely short time frame to secure and spend stimulus funds
- Some requirements could be burdensome within budget constraints (matching requirements, disclosure requirements, staff time, etc.)
- Funding not committed within timeframes will be redistributed

Goals

- Stimulus funding should create jobs for Dallas citizens and opportunities for Dallas businesses
- Funding should help achieve goals outlined in the Council's key focus areas
- Synergies should be created with other agencies receiving stimulus funding such as the TxDOT, NCTCOG, DART, Dallas County, DHA, DISD, non-profits, etc.
- Funding should be used to leverage existing resources and/or expedite projects

Proposed Action Plan

- For each program in the stimulus package that provides assistance to local governments, the City Manager has formed a team (led by an executive level staff person) to develop an action plan for securing and spending stimulus funds.
- Departments participating include:
 - Economic Development
 - Business Development and Procurement Services
 - Intergovernmental Services
 - Police
 - Communication and Information Services
 - Trinity River Corridor Project Office
 - Office of Environmental Quality
 - Water Utilities
 - Equipment and Building Management
 - Public Works and Transportation
 - Office of Financial Services
 - Cultural Affairs
 - Aviation
 - Housing
 - Environment and Health Services

Proposed Action Plan

- The City Manager will create an additional action team to work with other agencies in Dallas affected by stimulus funds to create synergies and look at ways of maximizing the effect of stimulus funding on the Dallas community (i.e. focused efforts to revitalize southern Dallas or Downtown).
- While the specific parameters of a final stimulus package won't be known until mid-February or after, the teams have already begun their work, using the House and Senate stimulus bills as a guide.
- The teams will then present their recommended strategies to the City Council at the soonest available Council meeting after the final stimulus bill is signed into law and program regulations/parameters have been determined.
- The City Council will be updated and direction sought as needed throughout the implementation of the various programs funded through the stimulus package.

Proposed Schedule

- Currently – Economic Stimulus Teams Develop Action Plan for Securing Stimulus Funds and Implementing Stimulus Programs
- Mid-February – Stimulus Package Completed and signed by President shortly thereafter
- No later than March 4 – Council briefing on proposed action plan (may need to have briefing on a Council voting agenda day)

General Provisions Applying to All Programs - House

- * Formula funds awarded in 30 days (extra 30 days for new programs)
- * Discretionary funds awarded in 60 days (extra 30 days for new programs)
- * 50 % of all funds per recipient allocated (contracts or binding commitments) to specific projects in 1 year
- * 100 % of all funds per recipient allocated (contracts or binding commitments) to specific projects in 2 years
- * Uncommitted funds redistributed to other recipients ("use it or lose it")
 - * Previous 3 bullets apply to EPA STAG, AIP, Intercity Passenger Rail Grants, Transit Capital Grants, Public Housing Capital, Section 8 Energy Assistance & HOME
- * All funds appropriated by act available until 9/30/2010
- * No funds to casinos, aquariums, zoos, golf courses or swimming pools
- * Creates Accountability & Transparency Board to oversee and audit stimulus funds
- * All stimulus projects must use American-made iron and steel
- * Davis-Bacon prevailing wage law applies to all projects funded by the stimulus
- * Each grantee must establish a stimulus website detailing how stimulus funds are spent, how many jobs those funds create, a justification of the use of those funds and a local and federal contact person and e-mail for each project

General Provisions Applying to All Programs - Senate

- * All spending designated as emergency spending
- * Buy America Act applies to all appropriations in bill
- * Creates Accountability & Transparency Board to oversee and audit stimulus funds
- * Governor and Mayors must certify that all stimulus infrastructure investment have received full review and are an appropriate use of tax dollars

Programs highlighted in green provide direct assistance to local governments (formula and discretionary).

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Agriculture						
Women, Infants & Children (WIC)	\$100 million	Funds to be used to improve program management information systems	\$500 million	\$380 million held in reserve to be used as needed by the Secretary; \$120 million to be used to improve program management information systems	Formula	States
School Lunch Program	\$0		\$198 million		Formula	States
Child & Adult Food Care		No additional funds; expands eligibility to participate in After School Feeding Program for At-Risk Children from 8 states to all states		No provision	Formula	States

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Commerce						
Economic Development Administration (EDA)	\$250 million	Up to \$50 million may be transferred to federally-authorized regional economic development commissions	\$150 million	\$100 million for public works grants; \$50 million for economic adjustment assistance grants	Discretionary	States, local, redevelopment authorities
2010 Census	\$1 billion		\$1 billion		NA	Census Bureau
Wireless & Broadband Development for Underserved & Unserved Areas (HR 1)/Broadband Technology Opportunities Program (S1)	\$2.852 billion	The bill authorizes this NTIA competitive grant program for non-recurring broadband deployment costs; local governments eligible to apply; \$1 billion for wireless grants/\$1.825 billion for broadband grants; FCC to define "underserved"	\$9 billion	The bill authorizes this new new NTIA competitive grant program for non-recurring broadband deployment costs in unserved and underserved areas; local governments eligible to apply; 80%-20% federal-grantee split; \$200 million of the appropriation set aside for community colleges and public libraries	Discretionary	States, locals
Digital TV Converter Boxes	\$650 million	\$40 coupons for digital-to-analog TV converter boxes	\$650 million	\$40 coupons for digital-to-analog TV converter boxes	Entitlement	TV owners
Broadband Map & Inventory		Authorizes NTIA to create and maintain a national broadband map and inventory		No provision	NA	NA

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Justice						
Byrne Justice Assistance Grants (Formula)	\$3 billion	Flexible funding for law enforcement needs distributed according to population and violent crime	\$1.5 billion	Flexible funding for law enforcement needs distributed according to population and violent crime	Formula	States, locals
COPS Hiring Grants	\$1 billion	DOJ has 120 days to award funds; 100% federal share (no local match); waives \$75,000 per officer cap	\$1 billion	Allows DOJ to waive hard \$75,000 per officer cap	Discretionary	Locals
Tactical Law Enforcement Wireless Communications	NA		\$200 million	For WIN deployment in high-priority metropolitan areas	Discretionary	
Violence Against Women	NA		\$250 million	\$200 million for STOP grants; \$50 million for transitional housing; DOJ must obligate funds within 60 days of enactment	Discretionary	States, locals, nonprofits
Byrne Competitive Grants	NA		\$440 million		Discretionary	States, locals

	HR 1	Notes	S 1	Notes	Distribution	Recipient
US Army Corps of Engineers						
Investigations	NA		\$25 million	Previously funded projects	Discretionary	USACOE
Construction	\$2 billion	Ongoing, previously funded construction projects (or project components) that can be completed within 2 years; \$100 million federal cost share cap does not apply to these funds	\$2 billion	\$200 million set aside for Section 219 projects; Projects that can be completed with this funding	Discretionary	USACOE

	HR 1	Notes	S 1	Notes	Distribution	Recipient
<u>Bureau of Reclamation</u>						
Reclamation Projects	\$500 million	Sets aside \$126 million for authorized Title XVI Water Reuse Projects	\$1.4 billion	\$50 million set aside for Central Utah Project; \$50 million set aside for California Bay Delta Restoration; \$110 million set aside for Title XVI projects;	Discretionary	BuRec, states, locals

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Energy						
EECBG	\$3.5 billion	Newly authorized program that has not yet been funded; flexible formula grants to states, counties and cities for energy efficiency and conservation projects	\$2.1 billion		Formula	States, locals
Weatherization Assistance	\$6.2 billion	Eligibility expanded from 150% percent of povertyAMI to 200% of poverty; maximum assistance increased from \$2,500/household to \$5,000/household	\$2.1 billion		Formula	States (sub-allocated to local action agencies)
State Energy Program	\$3.4 billion		\$500 million		Formula	States
Smart Grid	\$4.5 billion	Competitive grants; 50-50 cost share; preference given to tax-exempt utilities	\$4.5 billion		Discretionary	Utilities, including municipal utilities

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Small Business Administration						
SBA Loans	\$426 million	To guarantee SBA loans			NA	NA
		SBA authorized to up to 95% of small business loans			NA	NA
		Establishes SBA Secondary Market Guarantee Authority to provide guarantees for pools of SBA loans that are to be sold to third-party investors			NA	NA
		Allows SBA to refinance community development loans			NA	NA

	HR 1	Notes	S 1	Notes	Distribution	Recipient
<u>Department of Homeland Security</u>						
Rail & Transit Security Grants	\$0		\$100 million		Formula	Transit agencies
Port Security Grants	\$0		\$100 million		Formula	Ports
Emergency Operations Centers	\$0		\$250 million		Competitive	State, local
Critical Infrastructure Upgrades	\$0		\$500 million	Construction of upgrades to critical infrastructure to protect them from all hazards	Competitive	States, locals
Firefighter Assistance Grants	\$0		\$500 million	Funds are specifically for the construction, upgrading or modification of fire stations	Competitive	States, locals
SAFER Firefighter Hiring Grants	\$0	No additional funds; waives match for SAFER grants in FY 2009 and FY 2010	\$0	No provision	Competitive	Locals
Emergency Food & Shelter	\$200 million				Formula	Locals

	HR 1	Notes	S 1	Notes	Distribution	Recipient
<u>Department of the Interior</u>						
Historic Preservation Fund	\$0		\$55 million		Formula	States

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Environmental Protection Agency						
Clean Water SRLF	\$6 billion	Waives states match; States may use 50% of their allocation for negative interest loans, loan forgiveness or grants to municipalities	\$4 billion	For projects ready to proceed to construction within 180 days (regardless of state ranking system); states may use funds for negative-interest loans or loan forgiveness	Formula	States
Drinking Water SRLF	\$2 billion	Waives states match; States may use 50% of their allocation for negative interest loans, loan forgiveness or grants to municipalities	\$2 billion	For projects ready to proceed to construction within 180 days (regardless of state ranking system); states may use funds for negative-interest loans or loan forgiveness	Formula	States
Brownfields	\$100 million		\$100 million		Discretionary	States, locals
Diesel Emission Reduction Grants	\$300 million	Competitive; local governments eligible (program authorized by Sections 791-797 of Energy Policy Act of 2005 - PL 109-58)	\$300 million	Competitive; local governments eligible (program authorized by Sections 791-797 of Energy Policy Act of 2005 - PL 109-58)	Discretionary	States, locals

	HR 1	Notes	S 1	Notes	Distribution	Recipient
National Endowment for the Arts (NEA)						
NEA Grants	\$50 million	Purpose is to preserve jobs in the nonprofit arts sector threatened by declines in philanthropic support; 40% distributed to state art agencies by formula; 60% for competitive art projects and activities; matching requirements waived; funds cannot be used for Youth Opportunity Grants	\$0		Formula & Discretionary	States, art agencies

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Labor						
Adult Job Training	\$500 million		\$500 million	Funds available through 6/30/2010	Formula	States, workforce investment boards
Youth Job Training	\$1.2 billion	Includes an unspecified amount for summer jobs and makes attainment of basic skills the only performance measurement criteria for summer jobs programs (waives attainment of high-school diploma or placement in college measurements); increases eligibility for these funds from age 21 to age 24	\$1.2 billion	Includes an unspecified amount for summer jobs and makes attainment of basic skills the only performance measurement criteria for summer jobs programs (waives attainment of high-school diploma or placement in college measurements); increases eligibility for these funds from age 21 to age 24; Funds available through 6/30/2010	Formula	States, workforce investment boards
Dislocated Worker Assistance	\$1 billion		\$1 billion	Funds available through 6/30/2010	Formula	States, workforce investment boards
Dislocated Workers Reserve Emergency Fund	\$500 million	Emergency fund set aside to help workers suddenly dislocated by mass layoffs, plant closures or military base realignments; available for obligation through June 30, 2010; to be used in areas of high unemployment or high poverty	\$200 million	Funds available through 6/30/2010	Discretionary	States, workforce investment boards
High-Growth & Emerging Industry Job Training	\$750 million	\$500 million set aside for "green" jobs; of the remaining \$250 million, priority given to health care field; time limits re: awarding of grants do not apply	\$250 million	Priority to training for careers in energy efficiency and renewable energy; funds available through 6/30/2010	Discretionary	States, workforce investment boards
Youthbuild	\$0		\$100 million	Funds available through 6/30/2010		
Job Corps	\$300 million	Targeted to construction, rehabilitation & acquisition of Job Corps Centers	\$160 million	Funds available through 6/30/2010	Discretionary	Job Corps

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Health & Human Services						
Community Health Centers	\$500 million		\$0			
Community Health Center Modernization	\$1 billion		\$0			
LIHEAP	\$1 billion	Available after 10/1/09	\$0		Formula	States
Child Care & Development Block Grant	\$2 billion	Supplement, not supplant, state general revenue funds for child care assistance	\$2 billion	Funds available through 9/30/2010; Supplement, not supplant state general revenue funds for child care assistance	Formula	States
Social Services Block Grant	NA		\$400 million	Allocated to the states based on unemployment; Funds obligated to the states within 60 days of enactment	Formula	States, nonprofits
Community Services Block Grant	\$1 billion	\$500 million available after 10/1/09	\$200 million	Funds available through 9/30/2010	Formula	States (sub-allocated to community action agencies)
Head Start	\$2.1 billion	Sets aside \$1.1 billion to expand Early Head Start	\$2.1 billion	Sets aside \$1.1 billion to expand Early Head Start; Funds available through 9/30/2010	Formula	States, head start providers
Compassion Capital Fund	\$100 million		\$0			
Prevention & Wellness Fund	\$3 billion		\$0			
Health Information Technology	\$2 billion		\$5 billion			
Administration on Aging Nutrition Services (Meals on Wheels)	\$200 million	\$100 million available after 10/1/09	\$100 million	Funds available through 9/30/2010	Formula	
Public Health & Social Services Emergency Fund	\$0		\$5.8 billion	Funds available through 9/30/2011; \$1 billion for CDC disease prevention; \$750 million for CDC immunization; \$600 million for health professions training; \$400 million for the CDC Healthy Communities Program; \$400 million for CDC HIV screening & prevention; \$75 million for smoking cessation activities; \$870 million for pandemic flu preparation;	TBD	TBD

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Education						
21st Century Green High-Performing Schools (House)/School Modernization (Senate)	\$14.1 billion	Bill authorizes this new program, which will make formula grants to school districts to modernize and improve the energy efficiency of public schools	\$16 billion	Bill authorizes this new program, which will make formula grants to school districts to modernize and improve the energy efficiency of public schools	Formula	School districts
Higher Education Modernization, Renovation & Repair	\$6 billion	Same as above, but for public universities; allocated to state higher education agencies; priority to minority-serving institutions and energy-efficiency projects	\$3.5 billion	Same as above, but for public universities; allocated to state higher education agencies; priority to minority-serving institutions and energy-efficiency projects	Formula	States

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Transportation						
Airport Improvement Program	\$3 billion	Entire appropriation for discretionary grants	\$1.1 billion	Discretionary grants; Allocated to projects that can be completed within 2 years; Supplement not supplant state and local funds; 100% federal share (no match)	Discretionary	Airport operators
FAA Facilities & Equipment	\$0		\$200 million	Allocated to projects that can be completed within 2 years;	NA	FAA
Intercity Passenger Rail Corridor Improvement Grants	\$300 million	180 days to award; 100% federal share (no match)	\$250 million	Projects completed within 2 years of enactment; 100% federal share (no match); Davis-Bacon applies; Projects must be on STIP	Discretionary	States
High-Speed Rail Corridors	\$0		\$2 billion	100% federal share (no match);	Discretionary	States
Amtrak Capital	\$800 million		\$850 million		NA	Amtrak
Transit Formula Grants	\$7.5 billion	100% federal share (no match); funds apportioned 7 days after enactment; grantees have 120 days after apportionment to make binding commitments on at least 50% of their allocation	\$8.4 billion	Grantees have 180 days to obligate funds, after which 50% of unobligated funds are recaptured and reallocated; After 1 year, all unobligated funds are recaptured and transferred to Competitive Grants for Transportation Program (1-year extension allowed at discretion of DOT); \$200 million of the appropriation is set aside for competitive grants for transit greenhouse gas emission reductions; 100% federal share (no match);	Formula	Transit agencies
Fixed Guideway Modernization	\$2 billion	Cannot comingle with formula and bus funds; 100% federal share (no match)	\$0		Formula	Rail transit agencies

	HR 1	Notes	S 1	Notes	Distribution	Recipient
New Starts	\$2.5 billion	Expedite ongoing projects; priority to projects that are already under construction or are able to award contracts within 120 days; available for obligation until 9/30/12	\$0		Discretionary	Transit agencies
Competitive Grants for Transporta	\$0		\$5.5 billion	Competitive grants for highway, rail, transit & port infrastructure; Minimum grants of \$20 million; Maximum grants of \$500 million; 100% federal share (no match); Projects that can be completed in 3 years; DOT must issue criteria within 75 days of enactment, applications due within 180 days of enactment and awards within 1 year; funds reallocated from states under "use it or lose it" available under this program in the following year; Buy America applies; Davis-Bacon applies	Discretionary	State, local
Federal-Aid Highways	\$30 billion	Allocated to states; 45% allocated through STP, of which 62.5% must be sub-allocated to targeted areas; funds to projects that can award contracts within 90 days of enactment (75 days for sub-allocated funds), are on the STIP/MTIP, are projects for completion within 3 years and are located in an EDA-eligible area; funds not obligated within 120 days (90 days for sub-allocated funds) are reallocated nationally (or back to the state for sub-allocated funds); 100 % federal share (no match)	\$27 billion	50% allocated to the states and must be obligated within 180 days of receipt or returned to federal government for competitive grants; 50% allocated to the states, of which 40% must be sub-allocated to local governments with no obligation deadline; Each state must use at least 5% of its allocation on CMAQ-eligible projects	Formula	States, with some sub-allocation

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Department of Housing & Urban Development						
Public Housing Capital	\$5 billion	\$4 billion allocated by formula; PHA to give priority to projects that can be awarded within 120 days of allocation; priority to vacant units; priority to projects underway or in 5-year plan; \$1 billion for competitive grants to PHA for investment that leverage private investment, rehabilitate units to improve energy efficiency, preserve units near public transportation & employment centers, increase the availability of affordable housing by rehabilitating vacant units and address the needs of seniors	\$5 billion	\$3 billion allocated by formula; \$2 billion for competitive grants for renovations and energy retrofits; priority to projects of PHA 5-year plan; 100% of funds obligated within 1 year of enactment, 60% of funds spent within 1 year of receipt and 100% of funds spent within 3 years of receipt; Unobligated and unspent funds recaptured and reallocated;	Formula & Discretionary	Public housing authorities
Elderly, Disabled & section 8 Housing Energy Retrofit	\$2.5 billion	Grants & loans for energy retrofits	\$3.5 billion		Discretionary	Public housing authorities
CDBG	\$1 billion	Distributed using the same formula as FY 2008; No new action plan needed; Award contracts within 120 days	\$0		Formula	States, locals
HOME	\$1.5 billion	Distributed using the same formula as FY 2008; Award contracts within 120 days	\$2.25 billion	Grantees must obligate all funds within 1 year of enactment , spend 60% of funds within 2 years of enactment and 100% of funds within 3 years of receipt; Unobligated/unspent funds recaptured and reallocated to other grantees	Formula	States, locals

	HR 1	Notes	S 1	Notes	Distribution	Recipient
Neighborhood Stabilization Program	\$4.2 billion	Competitive grants; \$750 million set aside for grants to nonprofits; adds tenant protection for properties assisted by NSP; repeals five-year reinvestment provision for NSP-related income	\$2.25 billion	Competitive grants; funds available until 9/30/2011; HUD must publish criteria within 75 days of enactment; applications due within 180 days and awards within 1 year; Grantees must spend 75% of fund within 2 years of receipt and 100% of funds within 3 years of receipt;	Discretionary	States, locals, nonprofits
Emergency Shelter Grants	\$1.5 billion		\$1.5 billion	Grantees must expend 75% of funds within 2 years of enactment and 100% of funds within 3 years of enactment;	Formula	States, locals
Lead Hazard Elimination	\$100 million		\$100 million		Discretionary	States, locals

	HR 1	Notes	S 1	Notes	Distribution	Recipient
<u>Department of the Treasury</u>						
Community Development Financial Institutions	\$0		\$250 million		Discretionary	Community Development Financial Institutions

	HR 1	Notes	S 1	Notes	Distribution	Recipient
State Fiscal Stabilization Fund						
State Fiscal Stabilization Fund	\$79 billion	\$39.5 billion available 7/1/09; \$39.5 billion available 7/1/10; allocated to states by formula; sub-allocated to LEA to prevent tax increases and education cutbacks	\$79 billion		Formula	States (sub-allocated to school districts)

American Recovery and Reinvestment Act Tax and Finance Provisions

Fiscal Relief for State and Local Governments

Description	House Bill (HR 1)	Senate Bill (S 1)
<p>De minimis safe harbor exception for tax-exempt interest expense for financial institutions: Under current law, financial institutions are not allowed to take a deduction for the portion of their interest expense that is allocable to such institution's investments in tax-exempt municipal bonds.</p>	<p>In determining the portion of interest expense that is allocable to investments in tax-exempt municipal bonds, the bill would exclude investments in tax-exempt municipal bonds issued during 2009 and 2010 to the extent that these investments constitute less than two percent of the average adjusted bases of all the assets of the financial institution.</p>	<p>Same as House bill</p>
<p>Modification of small issuer exception to tax-exempt interest expense allocation rules for financial institutions: As described above, financial institutions are not allowed to take a deduction for the portion of their interest expense that is allocable to such institution's investments in tax-exempt municipal bonds. For purposes of this interest disallowance rule, bonds that are issued by a "qualified small issuers" are not taken into account as investments in tax-exempt municipal bonds. Under current law, a "qualified small issuer" is defined as any issuer that reasonably anticipates that the amount of its tax-exempt obligations (other than certain private activity bonds) will not exceed \$10 million.</p>	<p>Increase this dollar threshold to \$30 million when determining whether a tax-exempt obligation issued in 2009 and 2010 qualifies for this small issuer exception</p>	<p>Same as House bill</p>
<p>Eliminate costs imposed on state and local governments by the alternative minimum tax: The alternative minimum tax (AMT) can increase the costs of issuing tax-exempt private activity bonds imposed on State and local governments. Under current law, interest on tax-exempt private activity bonds is generally subject to the AMT. This limits the marketability of these bonds and, therefore, forces State and local governments to issue these bonds at higher interest rates. Last year, Congress excluded one category of private activity bonds (i.e., tax-exempt housing bonds) from the AMT.</p>	<p>Exclude the remaining categories of private activity bonds from the AMT if the bond is issued in 2009 or 2010.</p>	<p>Same as House bill</p>
<p>Qualified school construction bonds: Creation of a new category of tax credit bonds for the construction, rehabilitation, or repair of public school facilities or for the acquisition of land on which a public school facility will be constructed.</p>	<p>There is a national limitation on the amount of qualified school construction bonds that may be issued by State and local governments of \$22 billion (\$11 billion allocated initially in 2009 and the remainder allocated in 2010).</p>	<p>Issue limitation of \$5 billion in 2009 and \$5 billion in 2010.</p>

Description	House Bill (HR 1)	Senate Bill (S 1)
<p>Extension and increase in authorization for qualified zone academy bonds (QZAB): Allow an additional issuing authority to State and local governments in 2009 and 2010, which can be used to finance renovations, equipment purchases, developing course material, and training teachers and personnel at a qualified zone academy, defined as any public school below college level that is located in an empowerment zone or enterprise community and is designed to cooperate with businesses to enhance the academic curriculum and increase graduation and employment rates. QZABs are a form of tax credit bonds which offer the holder a Federal tax credit</p>	<p>Increases issuing authority by \$1.4 billion in 2009 and 2010.</p>	<p>Same as House bill</p>
<p>Tax credit bond option for State and local governments: Tax credit bonds differ from tax-exempt bonds in two principal ways: (1) interest paid on tax credit bonds is taxable; and (2) a portion of the interest paid on tax credit bonds takes the form of a Federal tax credit. The Federal tax credit offsets a portion of the cash interest payment that the State or local government would otherwise need to make on the borrowing.</p>	<p>Provide State and local governments with the option of issuing a tax credit bond instead of a tax-exempt governmental obligation bond, thus allowing the State or local government to elect to receive a direct payment from the Federal government equal to the subsidy that would have otherwise been delivered through the Federal tax credit for bonds issued in 2009 and 2010.</p>	<p>Extend the provision to tax credit bonds issued in 2009, 2010, and 2011.</p>
<p>Three percent withholding on government contractors: For payments made after December 31, 2010, current law requires withholding at a three percent rate on payments to persons providing property or services made by Federal, State, and local governments.</p>	<p>Repeals this provision.</p>	<p>Delays implementation of the provision for one year</p>
<p>Recovery Zone Bonds: Each state would receive a share of the national allocation based on that state's job losses in 2008 as a percentage of national job losses in 2008. That allocation would be sub-allocated to local municipalities. Municipalities receiving an allocation of these bonds would be permitted to use these bonds to invest in infrastructure, job training, education, and economic development in areas within the boundaries of the State, city or county (as the case may be) that has significant poverty, unemployment or home foreclosures.</p>	<p>Authorize \$10 billion in recovery zone economic development bonds and \$15 billion in recovery zone facility bonds. These bonds could be issued during 2009 and 2010</p>	<p>Same as House bill</p>
<p>New Markets Tax Credit: The New Markets Tax Credit Program permits taxpayers to receive a credit against Federal income taxes for making qualified equity investments in designated Community Development Entities (CDEs). The qualified equity investment must in turn be used by the CDE to provide investments in low-income communities.</p>	<p>No provisions</p>	<p>Authorize an additional \$1.5 billion for the 2008 allocation round and an additional \$1.5 billion for the 2009 allocation round. Tax credits for 2009 allocations made after the date of enactment would be allowed against the alternative minimum tax.</p>

Description	House Bill (HR 1)	Senate Bill (S 1)
<p>Qualified Energy Conservation Bonds: This new bond program authorizes bonds to finance State, municipal and tribal government programs and initiatives designed to reduce greenhouse gas emissions</p>	<p>Authorizes an additional \$2.4 billion and clarifies that the bonds may be issued to make loans and grants for capital expenditures to implement green community programs.</p>	<p>Same as House bill</p>
<p>Clean Renewable Energy Bonds (CREBs): These bonds finance facilities that generate electricity from the following resources: wind; closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; marine renewable; and trash combustion facilities.</p> <p>Work Opportunity Tax Credit: This is a federal tax income tax credit of 40 percent of the first \$6,00 in wages paid that private employers may take by hiring from targeted groups such as welfare recipients, food stamps recipients, or youth in qualified vocational programs.</p>	<p>Authorizes \$1.6 billion in new CREBs, with one-third available for qualifying projects of State/local/tribal governments; one-third for qualifying projects of public power providers; and one-third for qualifying projects of electric cooperatives</p> <p>Add homeless and unemployed veterans and disadvantaged youth (age 16-25 and have not been working or attended school for six months) as qualified target groups for the tax credit</p>	<p>Same as House bill</p> <p>Same as House bill</p>