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Projects Await Stimulus Funds; Recovery.gov Tracking Flow

Stimulus money for education, transportation, health care, and energy projects will begin flowing to the states over the next few weeks, according to federal officials overseeing the plan. The amounts and timing of the flow of the money depend on the mechanisms for disbursement established under the American Recovery and Reinvestment Act signed by President Obama on February 17, 2009.

In some instances local jurisdictions will have direct control over the funds. Under education, for example, the Act calls for \$53.6 billion in fiscal stabilization money. The money is intended to back-fill the states' education budgets. Here, the local districts will have the greatest say over the funds used for construction and maintenance.

"Under the Act, state governments will have direct control over 18 percent of the stabilization funds. The state percentage is intended for safety projects under education," said Robert Strange, an education analyst for the National Conference of State Legislatures (NCSL). "That's a pretty broad area and could include some maintenance of schools, but it can't be used for new construction. Most of the money under fiscal stabilization is intended for the local level."

There, 81 percent of the stabilization money is targeted at grade levels K-12.

"The local districts are permitted to use the money for repairs and modernization projects," Strange said. "They have a lot more discretion over using the money for the actual physical structures."

On the infrastructure end, many of the states' Transportation Departments have already finalized lists of projects for funding.

"The bulk of these will be projects that can be started quickly, like re-surfacing and bridge repairs," said a transportation expert with NCSL. "The whole idea is to create

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jobs quickly.”

This means that contractors involved in water, sewer and transportation work could be very busy in the next few months. Many projects already through the engineering and design phases are simply awaiting the money. That could begin to come through as early as mid-April, experts say.

The federal government’s website that tracks stimulus progress, Recovery.gov, has outlined a timeline for action over the next few months.

February 19, federal agencies reported their formula block grant awards. Departments of Education, Health and Human Services, and Energy will decide who will receive award grants and contracts. In some instances, funds will go through a state government. In others, the money will go directly to an institution, school or contractor.

March 3, federal agencies are to begin reporting use of funds. Until the federal government distributes funds to state and local governments, institutions and contractors, it can’t be determined how much funding a specific state, community or institution will receive.

May 3, federal agencies to make performance plans publicly available, and also begin reporting on their allocations for entitlement programs.

May 15, detailed agency financial reports are to be made available.

May 20, federal agencies are to begin reporting their competitive grants and contracts.

July 15, recipients of federal funding are to begin reporting on their use of funds. Recovery.gov will provide a way to search the money flow by state and by congressional district.

Click here to go to a complete overview of the stimulus funding from Pennsylvania Senator Bob Casey’s office.

Duane Morris Government Affairs will continue to work with the incoming administration, federal and state lawmakers, and local officials to ensure that our client’s projects receive top consideration in the new stimulus plan. We will continue to provide general and specific updates to those interested as this process moves forward. For additional information, please contact:

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