

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Jay Emler at 10:30 a.m. on March 4, 2009, in Room 545-N of the Capitol.

All members were present.

Committee staff present:

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Michael Steiner, Kansas Legislative Research Department
Estelle Montgomery, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Aaron Klaassen, Kansas Legislative Research Department
Jonathan Tang, Kansas Legislative Research Department
Jarod Waltner, Kansas Legislative Research Department
Jill Wolters, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Gordon Self, Office of the Revisor of Statutes
Melinda Gaul, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the Committee:

Chris Whatley, Director, Council of State Governments (CSG),

Others attending:

See attached list.

Introduction of proposed legislation

Senator Brownlee appeared before the Committee to request the introduction of legislation concerning funding for intermodal transportation projects.

Senator Umbarger moved to introduce legislation concerning funding for intermodal transportation projects (9rs0902). The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Senator Umbarger moved to introduce legislation concerning permits for oversized load limits (9rs 0915). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Ron Gaches, on behalf of The Williams Companies, appeared before the Committee to request the introduction of legislation concerning (1) financial assurance requirements for underground storage wells, and (2), on behalf of the Kansas Society of Land Surveyors, repeal outdated statutes, eliminating some requirements on counties.

Senator Teichman moved to introduce legislation concerning underground storage well regulations (9rs0914). The motion was seconded by Senator Taddiken. Motion carried on a voice vote.

Senator Teichman moved to introduce legislation concerning eliminating outdated statutes on counties (9rs0849). The motion was seconded by Senator Umbarger. Motion carried on a voice vote.

Approval of Minutes

Senator Schodorf moved to approve the minutes of February 24, February 25 and February 26. The motion was seconded by Senator Masterson. Motion carried on a voice vote.

Distribution of Requested Information

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on March 4, 2009, in Room 545-N of the Capitol.

Requested information from Russell Jennings, Commissioner of Juvenile Justice Authority (JJA), on the medical expenses of JJA as related to **SB 252**, was distributed to the Committee (Attachment 1).

Subcommittee Report on Kansas Patrol Board

Senator Teichman, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Kansas Parole Board for FY 2010 and moved for the adoption of the Subcommittee recommendations on the Kansas Parole Board with notations and adjustments for FY 2010 (Attachment 2). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Responding to questions from the Committee, the Subcommittee noted that any required legislation can be pursued by the Kansas Parole Board through the Joint Committee on Administrative Rules and Regulations. In addition, the Parole Board will pursue the Attorney General's opinion on the legality of assessing fees for clemency hearings and early discharge requests as noted in the Subcommittee report.

Subcommittee Report on Kansas Sentencing Commission

Senator Masterson, Chair of the Subcommittee, presented the Subcommittee report on the Governor's budget recommendations for the Kansas Sentencing Commission for FY 2010 and moved for the adoption of the Subcommittee recommendations on the Kansas Sentencing Commission with notations and adjustments for FY 2010 (Attachment 3). The motion was seconded by Senator Schodorf. Motion carried on a voice vote.

Overview of Federal Stimulus Funds

Chris Whatley, Washington Director, Council of State Governments (CSG), appeared before the Committee to provide information on the Federal Stimulus Package (Attachment 4). Included with Mr. Whatley's presentation was a document prepared by Latham & Watkins titled "The American Recovery and Reinvestment Act of 2009: A Guide for State and Local Governments (Attachment 5). Mr. Whatley noted the state is eligible for over \$1.75 billion in federal funding through FY 2011, with additional potential opportunities through competitive grants.

Mr. Whatley stated that there are strings attached to some of the federal funding as well as deadlines for applying for the funds. Additionally, all authority is placed with the Governor of the state and there are no guidelines for the Legislature. Mr. Whatley noted that there is a need to know the rules attached to the stimulus package.

Responding to questions from the Committee, Mr. Whatley noted that the stimulus package is funding that is intended to be spent now and not held in a "rainy day" fund. He advised the Committee to seek a legal opinion as to whether the funding could be used toward the state's required ending balance.

A document concerning the federal stimulus funding, prepared by Alan Conroy, Legislative Research Department, was distributed to the Committee (Attachment 6).

Continued Discussion and Action on SB 196 - KPERS employment after retirement restrictions to apply to retirants employed by a third-party entity.

The Committee noted that **SB 196** was amended during Committee discussion of the bill on March 2, 2009.

Senator Teichman presented an additional amendment to **SB 196** (Attachment 7). Senator Teichman indicated that the intent of the amendment is to retain present Kansas Public Employees Retirement System (KPERS) retirees, who have returned to the classroom under contract through a third-party contractor and whose contract is dated prior to July 1, 2009, under current law for a period of 5 years or until June 30, 2014.

Senator Teichman moved for adoption of the proposed amendment, change the date from July 1, 2009, to March 1, 2009, and allow for technical corrections to the amendment and bill. The motion was seconded by Senator Schodorf. Motion failed on a vote of 2-9.

CONTINUATION SHEET

Minutes of the Senate Ways And Means Committee at 10:30 a.m. on March 4, 2009, in Room 545-N of the Capitol.

The Committee voiced concern that the amendment would have a negative effect on the intent of the original language in **SB 196**.

Senator Kelly moved to recommend **SB 196** favorable for passage as amended. The motion was seconded by Senator Vratil. Motion carried on a voice vote.

Adjournment

The next meeting is scheduled for March 5, 2009.

The meeting was adjourned at 12:15 p.m.

**SENATE WAYS & MEANS COMMITTEE
GUEST LIST**

DATE: ___ March 4, 2009 ___

NAME	REPRESENTING
Ulen Pedigo	Ks Sentencing Commission
Karen Edmonds	Keystone - JCN School District
Mike Shields	KFFI NEWS
NAT HOLLAND	From Sen. KULTALA
Mike Hammond	AMTHER
Diane Ejerstad	Wichita Public Schools
Barb Langston	KAPPA
Mike McGuire	SETA-NEA
Juan Rose	KCSL
Edward Smith	PSU
Shirley Smith	AHMS
Joe Stroman	SBOE
Val DeFever	SQE
HELENE SMITH	—
SEAN MILLER	CAPITOL STRATEGIES
SHARON BELL	LITTLE CONSULTING
Tabrina Johnson	DRC
Sharon Lamerantz	SETA-NEA
Gary George	Olathe District Schools
BOB MEALY	Kennedy Fabric
Linda Aldridge	Keystone Learning Services <small>Interlocal 608</small>
Gary Mason	ISI Environmental Services
Chris F...	DOA

SENATE WAYS & MEANS COMMITTEE
GUEST LIST

DATE: ___ March 4, 2009 ___

NAME	REPRESENTING
Duane Goossen	DoFA
Gavin Young	DoFA
Paul Holmwood	KPB
JEFF CONWAY	KS DEPT. OF COMMERCE
Rich MINDER	Success By 6 Coalition of Do. Co.
Doug Bowman	CCECDS

March 4, 2009

To: Senate Ways and Means Committee Members
From: J. Russell Jennings, Commissioner
Re: Medical Expense Information – SB 252



On February 26th a committee hearing was held on SB252. This bill would extend the provisions of current law limiting the financial exposure for medical services provided youth in the custody of the commissioner of juvenile justice to the Medicaid rate as is the case for cities, counties and the Kansas Highway Patrol. During the hearing there were a number of questions and comments concerning the physicians and hospitals that typically provide medical services for youth placed in one of the three juvenile correctional facilities. I have attached a detailed listing of the vendor and amount paid by JJA for such services during FY08 for each facility. Payments for these services are made directly to the vendor by JJA as the medical services contract we have with Correct Care Solutions (CCS) does not provide full indemnification for all medical services. The JJA contract with CCS only provides for facility based medical and psychiatric services. I trust this information will be useful to you in your deliberations. Please feel free to contact me regarding this or any matter relating to the Kansas Juvenile Justice system.

**Larned Juvenile Correctional Facility
FY 2008 Outside Medical Expenditures Paid by Vendor**

JCF Expenditures

<u>Vendor</u>	<u>Amount</u>
Central KS Anesthesia	\$ 1,458
Central Kansas Med. Center	\$ 39,619
Clariant Diagnostic	\$ 236
Cypress Heart PA	\$ 250
Dr. Albright	\$ 15,485
Dr. Burkey	\$ 923
Dr. Epp Hutch Clinic	\$ 94
Dr. Evans	\$ 101
Dr. Pease & Smith	\$ 520
Dr. Witt, Urologist	\$ 253
Edwards Co. Hospital	\$ 2,495
Hanger Prosthetics	\$ 238
Hays Medical	\$ 1,094
Hays Orthopedic	\$ 1,173
Hays Pedatric Center	\$ 72
Hutchinson Clinic	\$ 126
KUPI	\$ 571
Larned EMS	\$ 1,898
Larned Eye Health	\$ 201
Larned State Hospital- Dental	\$ 7,641
Larned State Hospital- Glasses	\$ 1,417
Larned State Hospital- Optometry	\$ 4,380
Pease & Smith, ENT	\$ 260
Professional Radiology	\$ 330
Quest Diagnostics	\$ 202
Radiology of Hays	\$ 261
Reno Pathology	\$ 136
St. Joseph Family Practice	\$ 1,260
St. Joseph Memorial Hospital	\$ 27,278
Smith Dental Clinic	\$ 198
Surgical & Diagnostic G.B.	\$ 11,994
United Radiology	\$ 953
Wesley Clinic	\$ 1,188
Western Kansas Surgical	\$ 1,493
<u>Subtotal--JCF</u>	<u>\$ 125,797</u>

Central Office Expenditures

<u>Vendor</u>	<u>Amount</u>
Ballard Aviation/Eagle Med	\$ 1,771.00
Central Kansas medical Center	\$ 892.10
Central Ks Emergency Physicians	\$ 85.06
Great Bend Fire/EMS	\$ 150.00
Kansas Imaging Consultants	\$ 122.18
Specialists in Lab Medicine	\$ -
Via Christi Regional Medical Center	\$ 1,392.22
<u>Subtotal--Central Office</u>	<u>\$ 4,412.56</u>
Total	\$ 130,210

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**Beloit Juvenile Correctional Facility
FY 2008 Outside Medical Expenditures Paid by Vendor**

JCF Expenditures

<u>Vendor</u>	<u>Amount</u>
Amber Waves Neurology Chtd.	\$ 1,835
Anesthesia Assoc of Central KS	\$ 26
Beloit Medical Center, P.A.	\$ 15,988
Central Kansas ENT Assoc.	\$ 270
Manhattan Radiology LLP	\$ 585
Mitchell County Hospital	\$ 10,490
Mowery Clinic, LLC	\$ 157
NCK Radiology PA	\$ 1,784
Neurosurgery Assoc. of KS	\$ 160
Pawnee Mental Health Services	\$ 4,703
Salina Regional Health Center	\$ 310
Gilbert E Specht, DDS	\$ 9,274
Myers & Thompson OD's	\$ 2,611
<u>Subtotal--JCF</u>	<u>\$ 48,192</u>

Central Office Expenditures

<u>Vendor</u>	<u>Amount</u>
Beloit Medical Center	\$ 912.65
Manhattan Radiology, LLP	\$ 162.81
Mitchell County Hospital	\$ 4,036.81
Mowery Clinic	\$ 1,222.76
Salina Regional Health Center	\$ 2,857.90
<u>Subtotal--Central Office</u>	<u>\$ 9,192.93</u>
 Total	 \$ 57,385

**Kansas Juvenile Correctional Complex
FY 2008 Outside Medical Expenditures Paid by Vendor**

JCF Expenditures

Vendor	Amount
AMI-TALLGRASS	\$ 110.00
CENTER FOR SIGHT OF NE KS	\$ 1,566.00
COTTON ONEIL CLINIC	\$ 8,415.25
DIGITAL RADIOLOGY SERVICES LLC	\$ 32.00
GENSTLER EYE CENTER	\$ 475.00
HAUGHT, STEPHEN R., D.D.S.	\$ 1,675.00
HAWKINS OPTICAL LAB	\$ 9,191.28
HOBBS, KENNETH L., DDS	\$ 7,523.25
KRESIE, RANDALL J. MD	\$ 245.00
KS ORTHOPEDICS & SPORTS MEDICINE	\$ 1,126.15
MARTINEZ-MERCADO MD, FELIX	\$ 720.00
MRI CENTER OF KS	\$ 956.00
RADIOLOGY & NUCLEAR MEDICINE	\$ 16,329.91
REBOUND PHYSICAL THERAPY	\$ 6,183.00
ST FRANCIS HEALTH CENTER	\$ 506.50
STORMONT VAIL REG HEALTH	\$ 4,038.01
TALLGRASS IMMEDIATE CARE	\$ 543.00
TALLGRASS ORAL SURGERY (DARNALL)	\$ 166.00
TALLGRASS/GENERAL VASCULAR SURGERY	\$ 701.00
TALLGRASS/ORTHOPEDIC CLINIC & SPORT	\$ 413.00
TK EAR NOSE & THROAT	\$ 693.00
TK NEUROLOGY	\$ 305.00
TK PATHOLOGY GROUP	\$ 326.00
TROYER, DEAN A., DDS	\$ 12,548.50
WATERS, NEVIN K DDS PA	\$ 207.00
WOOD, ROBERT M	\$ 25,795.00
Subtotal--JCF	\$ 100,789.85

Central Office Expenditures

Vendor	Amount
Anesthesia Assoc of Topeka	\$ 337.25
Cotton O'Neil Clinic	\$ 9,652.97
Emergency Physicians of Topeka	\$ 85.06
Kansas Orthopedics	\$ 56.62
KU Surgery	\$ 726.54
Medevac Mid America	\$ 1,317.50
MRI Center of Kansas	\$ 1,072.85
Radiology & Nuclear Medicine	\$ 1,861.07
Robert Wood, DDS	\$ 1,285.00
St. Francis Health Center	\$ 691.90
Stormont Vail Reg Health	\$ 30,195.23
Topeka Air Ambulance/Life Star	\$ 1,341.00
Topeka Ear, Nose & Throat	\$ 1,577.62
University of Kansas Hospital Authority	\$ 30,225.28
Subtotal--Central Office	\$ 80,425.89

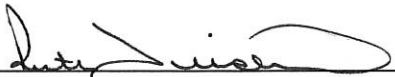
Total **\$ 181,215.74**

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FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Kansas Parole Board



Senator Ruth Teichman, Chair



Senator Kelly Kultala



Senator Vicki Schmidt

Senate Ways & Means Cmte
Date 3-4-2009
Attachment 2

House Budget Committee Report

Agency: Kansas Parole Board **Bill No.** HB --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 413

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 515,738	\$ 488,386	\$ 7,636
Other Funds	0	0	0
Subtotal - Operating	\$ 515,738	\$ 488,386	\$ 7,636
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 515,738	\$ 488,386	\$ 7,636
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request

The **Kansas Parole Board** requests \$515,738, all from the State General Fund, for FY 2010 operating expenditures. This is an increase of \$3,069, or 0.6 percent, above the revised FY 2009 estimate. The request includes **enhancement funding** totaling \$13,221, all from the State General Fund, to restore the allocated budget reduction. Absent the enhancement funding, the request is a decrease of \$10,152, or 2.0 percent, below the revised FY 2009 estimate. The request would fund 3.0 FTE positions, which is the same as the revised FY 2009 estimate.

Governor's Recommendation

The **Governor** recommends \$488,386, all from the State General Fund, for FY 2010 operating expenditures, which is a decrease of \$27,352, or 5.3 percent, below the agency request. The decrease is due to an agency enhancement request that was not recommended by the Governor and the following recommended reductions:

- \$5,000 for out-of-state travel;
- \$2,691 for a death and disability moratorium; and
- \$6,440 for a health insurance contribution moratorium.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$6,440, all from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill.
 2. **KPERS Death and Disability Moratorium.** Add \$1,196, all from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
 3. The Budget Committee commends the Parole Board on its approach to committee testimony, which included the nine key goals of the agency and how the agency works to achieve its goals.
 4. The Budget Committee notes that the FY 2010 Governor's recommendation is \$24,283, or 4.5 percent, below the FY 2009 approved amount.
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Senate Subcommittee Report

Agency: Kansas Parole Board **Bill No.** SB --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. Vol. --

Budget Page No. 413

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 515,738	\$ 488,386	\$ (35,984)
Other Funds	0	0	0
Subtotal - Operating	<u>\$ 515,738</u>	<u>\$ 488,386</u>	<u>\$ (35,984)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 515,738</u></u>	<u><u>\$ 488,386</u></u>	<u><u>\$ (35,984)</u></u>
FTE Positions			
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>3.0</u></u>	<u><u>3.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **Kansas Parole Board** requests \$515,738, all from the State General Fund, for FY 2010 operating expenditures. This is an increase of \$3,069, or 0.6 percent, above the revised FY 2009 estimate. The request includes enhancement funding totaling \$13,221, all from the State General Fund, to restore the allocated budget reduction. Absent the enhancement funding, the request is a decrease of \$10,152, or 2.0 percent, below the revised FY 2009 estimate. The request would fund 3.0 FTE positions, which is the same as the revised FY 2009 estimate.

Governor's Recommendation

The **Governor** recommends \$488,386, all from the State General Fund, for FY 2010 operating expenditures, which is a decrease of \$27,352, or 5.3 percent, below the agency request. The decrease is due to an agency enhancement request that was not recommended by the Governor and the following recommended reductions:

- \$5,000 for out-of-state travel;
- \$2,691 for a death and disability moratorium; and
- \$6,440 for a health insurance contribution moratorium.

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Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 2010 recommendation with the following adjustments and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$6,440, all from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$1,196, all from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Continue the FY 2009 1.25 percent reduction.** Delete \$6,536, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.
4. **10.0 Percent Reduction.** Delete \$37,084, all from the State General Fund, to achieve a 10.0 percent reduction below the FY 2009 Governor's recommendation and allow the agency the flexibility to make the reductions where it deems most prudent for the continuation of services.

The Senate Subcommittee notes that in order to meet the recommended reduction the agency may need to assess fees for clemency hearings and early discharge requests, which may require substantive legislation.

5. **Attorney General's Opinion.** The Senate Subcommittee recommends the agency seek an Attorney General's opinion on the legality of assessing fees for clemency hearings and early discharge requests.


FY 2010

SENATE WAYS AND MEANS SUBCOMMITTEE

Sentencing Commission



Senator Ty Masterson, Chair



Senator Jay Emler



Senator Kelly Kultala

Senate Ways & Means Cmte
Date 3-4-2009
Attachment 3

House Budget Committee Report

Agency: Kansas Sentencing Commission **Bill No.** HB --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. --

Budget Page No. 417

<u>Expenditure Summary</u>	<u>Agency Request FY 2010</u>	<u>Governor's Recommendation FY 2010</u>	<u>House Budget Committee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 9,447,479	\$ 8,955,513	\$ 17,660
Other Funds	607,940	850,356	5,196
Subtotal - Operating	<u>\$ 10,055,419</u>	<u>\$ 9,805,869</u>	<u>\$ 22,856</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 10,055,419</u></u>	<u><u>\$ 9,805,869</u></u>	<u><u>\$ 22,856</u></u>
FTE Positions			
	10.0	10.0	0.0
Non FTE Uncl. Perm. Pos.			
	4.0	4.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **Kansas Sentencing Commission** requests FY 2010 operating expenditures of \$10.1 million, including \$9.4 million from the State General Fund. The request is an all funds decrease of \$253,811, or 2.5 percent, and a State General Fund decrease of \$394,411, or 4.0 percent, below the revised FY 2009 estimate. The request would fund 10.0 FTE positions and 4.0 non-FTE unclassified positions.

Governor's Recommendation

The **Governor** recommends \$9.8 million, including \$9.0 million from the State General Fund, for FY 2010 operating expenditures. The recommendation is a decrease of \$249,550, or 2.5 percent, below the agency request. The decrease is due to the recommended reduced resources amount and an additional reduction of \$25,176 for moratoriums on contributions for death and disability and health insurance. The decrease is offset by an increase of \$248,000 in all other funds.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

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1. **Moratorium on Employer Contributions to the State Health Plan.** Add 21,000, including \$16,114 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill.
2. **KPERS Death and Disability Moratorium.** Add \$1,856, including \$1,546 from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for S.B. 23, the current year rescission bill. The action still captures five months of savings from the moratorium in FY 2010.
3. The Budget Committee notes that the Corrections and Juvenile Justice Oversight Committee is looking into offenders paying for all or a portion of the 2003 SB 123 drug treatment they receive and concurs that more needs to be done to recapture the cost of 2003 SB 123 drug treatment services to offenders.

Senate Subcommittee Report

Agency: Kansas Sentencing Commission **Bill No.** SB --

Bill Sec. --

Analyst: Waltner

Analysis Pg. No. Vol. --

Budget Page No. 417

Expenditure Summary	Agency Request FY 2010	Governor's Recommendation FY 2010	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 9,447,479	\$ 8,955,513	\$ (547,328)
Other Funds	607,940	850,356	(424,072)
Subtotal - Operating	<u>\$ 10,055,419</u>	<u>\$ 9,805,869</u>	<u>\$ (971,400)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 10,055,419</u></u>	<u><u>\$ 9,805,869</u></u>	<u><u>\$ (971,400)</u></u>
FTE Positions	10.0	10.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
TOTAL	<u><u>14.0</u></u>	<u><u>14.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **Kansas Sentencing Commission** requests FY 2010 operating expenditures of \$10.1 million, including \$9.4 million from the State General Fund. The request is an all funds decrease of \$253,811, or 2.5 percent, and a State General Fund decrease of \$394,411, or 4.0 percent, below the revised FY 2009 estimate. The request would fund 10.0 FTE positions and 4.0 non-FTE unclassified positions.

Governor's Recommendation

The **Governor** recommends \$9.8 million, including \$9.0 million from the State General Fund, for FY 2010 operating expenditures. The recommendation is a decrease of \$249,550, or 2.5 percent, below the agency request. The decrease is primarily due to the recommended reduced resources amount, the largest portion of which is other assistance expenditures for 2003 SB 123 drug treatment payments. The Governor also recommended a reduction of \$25,176 for moratoriums on contributions for KPERS Death and Disability and the state's contribution for state employee health insurance. The decrease is offset by an increase of \$248,000 in all other funds.

Senate Subcommittee Recommendation

The **Senate Subcommittee** concurs with the Governor's FY 2010 recommendation with the following adjustments and notations:

1. **Moratorium on Employer Contributions to the State Health Plan.** Add \$21,000, including \$16,114 from the State General Fund, to restore the Governor's recommended deletion to suspend state contributions to the state employee Health Insurance Premium Reserve Fund for all state agencies for seven payroll periods in FY 2010. The employer health insurance moratorium has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill.
2. **KPERS Death and Disability Moratorium.** Add \$1,856, including \$1,546, from the State General Fund to restore part of the Governor's recommended deletion of funds related to a nine-month moratorium on state contributions to the KPERS Death and Disability Group Insurance Fund for all state agencies. Four months of the Governor's recommended moratorium on KPERS Death and Disability has been accelerated to FY 2009 as part of House Substitute for Substitute for SB 23, the current year recision bill. The action still captures five months of savings from the moratorium in FY 2010.
3. **Continue the FY 2009 1.25 percent reduction.** Delete \$125,431, all from the State General Fund, to adjust the FY 2010 budget to duplicate the FY 2009 1.25 percent reduction, excluding debt service, Department of Education, and human service caseloads, approved by the 2009 Legislature for FY 2009.

4. **10.0 Percent Reduction.** Delete \$868,825, including \$439,557 from the State General Fund, to achieve a 10.0 percent reduction below the FY 2009 Governor's recommendation.
5. **SB 123 Funding.** Review at Omnibus the reduction of \$901,782 for drug treatment payments, as outlined by 2003 SB 123. The Senate Subcommittee notes the importance of SB 123 drug treatment in keeping offenders out of prison beds, which ultimately results in savings to the state.
6. **Offender Reimbursement.** The Senate Subcommittee recommends exploring options for increasing the number of offenders who reimburse the state for SB 123 drug treatment services. The Senate Subcommittee commends the agency on the successful collection of costs associated with SB 123 drug treatment from offenders receiving services in Sedgwick County.



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Senate Ways & Means Cmte

Date 3-04-2009

Attachment 4

Kansas and the Recovery Act

Chris Whatley,
Washington Director



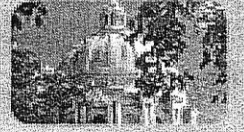
4-2

How did we get here...

- Began as a \$50 billion proposal from Speaker Pelosi days after Lehman fell.
- Grew exponentially month-by-month from 50, to 150, to 300, to 600, to 750 billion+, as the scope of the crisis unfolded.
- Combines fiscal relief, stimulus spending, tax cuts, and a raft of domestic priorities.



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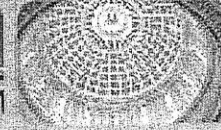
4-3

What does it mean for states...

Over **\$300 BILLION** in potential funding for state governments and state-related programs.



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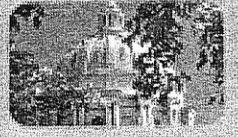
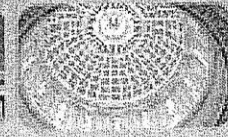
H-4

and for Kansas...

According to Federal Funds Information for States (FFIS) Kansas is eligible for over **\$1.75 billion** in federal funding through FY2011, with additional potential opportunities through competitive grants. To get your maximum share you have to break the code...



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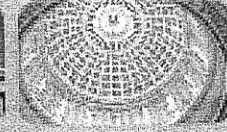
4-5

Your Share of the Big Check...

KANSAS
South Dakota will receive over **\$483 million**
in flexible funding which may **SUPPLANT**
current state spending (Medicaid & the
flexible part of the Fiscal Stabilization Fund).



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H-6

Your Share of the Helping Hand...

South Dakota may receive over **\$1.27 billion** in formula funding to **SUPPLEMENT** current state spending (the biggest pots are in transportation and the non-flexible, education spending in the Fiscal Stabilization Fund), subject to rule making by federal agencies.



Funds with strings attached...

4-7

The state could qualify for an additional \$68 million in funding if it “modernizes” unemployment eligibility requirements.

Kansas could also receive almost \$40 million in energy efficiency grants if it adopts a utility rate system that encourages energy conservation and implements energy efficiency standards in building codes.



4-8

Your Share of the Cookie Jar...

The Recovery Act includes over **\$100 billion** in competitive grant **OPPORTUNITIES**, but the pots are small, spread out, and confusing. There are over 30 categories with the largest funding available for education incentive grants. Full grant guidelines will be posted on www.grants.gov by March 19. It pays to be entrepreneurial...



Priorities for Legislatures...

6-4

- Legislatures may need to allocate funding through appropriation to comply with state constitutions.
- Oversight will be key to ensuring that state agencies pursue full range of funding opportunities, particularly competitive grants.



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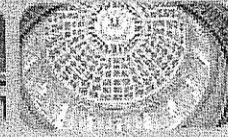
Other State Responses...

H-10

- Governors are appointing czars and issuing executive orders.
- Idaho, Maine, North Dakota and Wisconsin have established procedures for the legislature to review or appropriate Recovery Act funding.
- Focus has been on transportation as funds must be allocated by **MARCH 10.**



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4-11

New Resource...

STATERECOVERY.ORG a service of the council of state governments

A one-stop shop for analyzing Recovery

Act funding and tracking state responses...



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H-12

For further assistance contact CSG Washington

Chris Whatley
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www.STATERECOVERY.org



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Prepared for The Council of State Governments by:

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The American Recovery and Reinvestment Act of 2009:

A Guide for State and Local Governments

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As of February 2009

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Senate Ways & Means Cmte
Date 3-04-2009
Attachment 5



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Introduction

President Obama signed the American Recovery and Reinvestment Act of 2009 (the ARRA) into law on February 17, 2009, advancing an ambitious plan to revitalize the nation's economy. This \$787 billion package seeks to stimulate economic growth through federal spending on such programs as education, energy, health care, housing, and transportation.

The ARRA provides funds for a wide array of public and private actors, including federal entities. This paper summarizes key opportunities for state, local, territorial, and tribal governments to secure federal support through the ARRA. This includes direct funding as well as opportunities to act as a conduit for funds to constituents. Many of the provisions in the ARRA increase funding for existing programs. This paper summarizes current law where appropriate, but assumes familiarity with such existing programs.

This paper is not intended as a comprehensive guide to any particular program, but is intended as a general summary of the law to help identify funding opportunities for further inquiry. Any organization or entity interested in a specific program or opportunity referenced in this paper should seek additional information from the relevant government agencies, and consult with competent counsel to determine applicable legal requirements in a specific situation.

Time is an important consideration in evaluating opportunities under the ARRA. By 45 days after the date of enactment (April 3, 2009), state governors (or in some cases, state legislatures) must certify that their states will request and use funds and that these activities will create jobs and economic growth. The ARRA emphasizes rapid expenditure by imposing deadlines for application and disbursement and granting priority to projects that can use funds quickly. Therefore, authorities that are able to take quick action will benefit most from the new funding. Any date contained in this paper is either explicitly set forth in the text of the ARRA or is calculated based on the number of calendar days from the enactment thereof. Dates determined by calculating the number of days from enactment of the ARRA are determined without regard to whether the date falls on a weekend or federal holiday and, therefore, are necessarily estimates. Legal counsel should be consulted to determine these dates with certainty.

Many provisions of the ARRA do not provide guidance on the distribution of funds provided therein. In the coming weeks, relevant government agencies will issue guidance regarding application and disbursement of funds under their jurisdiction.

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1. EDUCATION AND FISCAL STABILIZATION

A. Fiscal Stabilization Fund - \$53.6 billion

State Allocations - **\$48.318 billion**
[A.XIV]¹

- The ARRA provides funds, awarded by the Secretary of Education, for grants to states based on their relative populations, for elementary, secondary, and higher education, public safety, and other government services. The Secretary will award 61 percent of the funds to states based on their relative populations of individuals aged 5 through 24, and will award the remaining 39 percent of the funds based on states' relative total populations. The Secretary can reserve up to \$14 million of these funds for administration and oversight of the program.
- **Fiscal Stabilization Funds for Education.** State must dedicate **\$39.5 billion** (81.8 percent) of these funds to elementary, secondary, and higher education. These funds must be used first to restore state support of primary, secondary, and higher education through 2011 to the greater of 2008 or 2009 levels, and also must follow existing formula increases for elementary and secondary fiscal support for 2010 and 2011.
- **General Fiscal Stabilization Funds.** States may use the remaining **\$8.8 billion** (18.2 percent) of the funds to support any public safety or other government service, including education. *States have total discretion in the use of these funds, so long as their use is for some government service and is not otherwise prohibited by law.*
- Funds that are not subgranted or otherwise committed within two years must be returned to the Secretary of Education to be reallocated to the remaining states based on the proportion set forth above.
- If states choose to dedicate a portion of their grants to institutions of higher education, states cannot consider the mission or type of institution in making awards. An institution is eligible so long as it is an "institution of higher education" under the Higher Education Act of 1965 (HEA); 42 U.S.C. §§ 2751 *et seq.*, and if it continues to be eligible to participate in programs under Title IV of that Act.
- Each governor must apply for his or her State's allotment of funds under this program. Applications must describe how the funds will be used and make five required assurances (Allocation Assurances) to the Secretary of Education that, in accordance with various other statutes, the state will: (1) maintain fiscal support of elementary, secondary, and higher education through 2011 at least at 2006 levels; (2) improve teacher effectiveness and equity in teacher distribution;² (3) establish a longitudinal data system;³ (4) enhance academic standards and assessments;⁴ and (5) support struggling schools.⁵

State Incentive Grants/Innovation Funds - **\$5 billion**
[A.XIV]

- The ARRA provides \$5 billion to fund state incentive grants and an Innovation Fund. Of the total amount, the Secretary of Education may dedicate up to \$650 million to local educational agencies through the Innovation Fund.

¹ References are to Division, Title, and, where available, Section of the ARRA.

² See Elementary and Secondary Education Act of 1965 (ESEA), § 1111(b)(8)(C); 20 U.S.C. § 6311.

³ See America COMPETES Act, § 6401(e)(2)(D).

⁴ See ESEA, § 1111(b)(3); 20 U.S.C. § 6311; Individuals with Disabilities in Education Act (IDEA), § 612(a)(16); 20 U.S.C. § 1412; America COMPETES Act, § 6401(e)(1)(9)(A)(ii); 20 U.S.C. § 9871.

⁵ See ESEA, § 1116(a)(7)(C)(iv), (8)(B); 20 U.S.C. § 6311.

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- **State Incentive Grants.** The Secretary of Education has discretion to award grants in FY 2010 to states that make significant progress in fulfilling and improving upon the goals identified in Allocation Assurances 2 through 5 made in connection with the state's application for its allocation of funds under this program. State applications for incentive grants must, in addition to satisfying the requirements of applications for state allocations under this program, show how such grants will help the state further meet the goals of Allocation Assurances 2 through 5.
 - The Secretary of Education can evaluate applications under Allocation Assurances 2 through 5 and under any other criteria chosen by the Secretary, such as a state's financial need to meet such assurances.
 - States that receive incentive grants must give at least 50 percent of the grants to local educational agencies in subgrants based on the local agencies' relative shares of funding under part A of title I of the Elementary and Secondary Education Act of 1965 (ESEA); 20 U.S.C. §§ 6301 *et seq.* for the most recent fiscal year.
- **Innovation Fund.** The ARRA provides that the Secretary of Education has discretion to award innovation grants to local education agencies or partnerships between non-profit organizations and local educational agencies or schools, so that grantees can expand their work, partner with private sector and philanthropic community organizations, and document best practices.
 - To be eligible for an award, an entity must: (1) have made significant gains in closing the achievement gap as described in section 1111(b)(2) of the ESEA; 20 U.S.C. § 6311(b)(2)(B); (2) have exceeded the state's annual objectives from section 1111(b)(2) of the ESEA for two consecutive years or have increased student achievement for all student groups described in that section through another measure such as those described in 1111(c)(2) of the ESEA; 20 U.S.C. § 6311(b)(2)(C)(v); (3) have made significant improvements demonstrated by data in other areas such as graduation rates or teacher recruitment; and (4) demonstrate partnerships with private sector or philanthropic groups which agree to match the innovation grant funds.
 - If a local educational agency cannot meet the above criteria for eligibility, the agency can partner with an eligible philanthropic organization.

Fiscal Stabilization Funds for Outlying Areas - \$268 million
[A.XIV]

- The Secretary of Education will also award grants to outlying areas for educational purposes after consultation with the Secretary of the Interior. There is no specified application process. Grants will be awarded based on each area's respective needs as determined at the discretion of the Secretary of Education.

Fiscal Stabilization General Rules and Restrictions

- These rules and restrictions apply to the Fiscal Stabilization funds, Division A, Title XIV, including the three areas outlined immediately above.
- The Secretary of Education may determine the time, manner, and information required for applications. The governor shall submit all applications on behalf of a state. Each state receiving funds under this title must file annual reports in the manner and containing the information as determined by the Secretary, including the uses of funds, distribution of funds, estimated job creation, estimated tax increases averted, and state progress in specified education initiatives.
- No funds can be used for financial assistance (vouchers) for students to attend private elementary or secondary schools.

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- If necessary to relieve fiscal burdens on states and local agencies, the Secretary may waive or modify any requirement of this title relating to maintenance of fiscal effort.

Uses of Funds by Local Educational Agencies

- **Allowed.** Any activity authorized by the ESEA, the Individuals with Disabilities in Education Act (IDEA), the Adult and Family Literacy Act, or the Perkins Act; and modernization, renovation, or repair of public school facilities, including projects consistent with a recognized green building rating system.
- **Prohibited.** Maintenance costs; modernization; renovation, or repair of stadiums; purchasing vehicles; and improvements to stand-alone non-educational facilities.

Uses of Funds by Public Institutions of Higher Education

- **Allowed.** Uses that mitigate the need to raise tuition and fees for in-state students and modernization, renovation, or repair of public school facilities—including projects consistent with a recognized green building rating system.
- **Prohibited.** Increases to an institution's endowment; maintenance of systems, equipment, or facilities; and modernization, renovation, or repair of sports or religious facilities.

B. Other Educational Funds

Education for the Disadvantaged - \$13 billion
[A.VIII]

- The ARRA provides:
 - **\$5 billion** in additional funds for targeted grants to local educational agencies under section 1125 of the ESEA, to be distributed as set forth in 20 U.S.C. § 6337. Local educational agencies are eligible to receive targeted grants as set forth in 20 U.S.C. § 6335.
 - **\$5 billion** in additional funds for education finance incentive grants to states under section 1125A of the ESEA. See 20 U.S.C. § 6337.
 - **\$3 billion** in additional funds for school improvement grants to states under section 1003(g) of the ESEA (20 U.S.C. § 6303(g)) for distribution as subgrants to local educational agencies to assist in school improvements satisfying the requirements set forth in 20 U.S.C. § 6316.
- Local educational agencies receiving funds are required to file with the state educational agency a school-by-school listing of per-pupil expenditures from state and local sources during the 2008-2009 academic year no later than December 1, 2009. In turn, the state educational agency must report that information to the Secretary of Education by March 31, 2010.

Special Education - \$12.2 billion
[A.VIII]

- The ARRA provides additional funding for grants to states to carry out parts B and C of the IDEA: **\$11.3 billion** for section 611 of the IDEA; **\$400 million** for section 619 of the IDEA; and **\$500 million** for part C of the IDEA. See generally 20 U.S.C. §§ 1400 *et seq.*; 34 C.F.R. §§ 300 *et seq.*
- If every state reaches its maximum allocation under section 611(d)(3)(B)(iii) of the IDEA, remaining funds will be proportionally allocated to each state subject to the maximum amounts contained in section 611(a)(2) of the IDEA.

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- By July 1, 2009, the Secretary of Education will reserve the amount needed for state Incentive Grants under section 643(e) of the IDEA, with any remaining funds to be allocated to the states in accordance with section 643(c) of the IDEA.
- The total amount, under this and all other acts, available for each of sections 611(b)(2) and 643(b)(1) of the IDEA ("Outlying Areas and Freely Associated States; Secretary of the Interior" under Part B and "Payments to Indians" under Part C) must be equal to the amount available for that section during FY 2008 increased by the amount of inflation as specified in section 619(d)(2)(B) of the IDEA.

School Improvement Programs - \$720 million
[A.VIII]

- The ARRA provides:
 - **\$650 million** in additional funds to states for subgrants to local educational agencies and local entities pursuant to the Enhancing Education through Technology program. See generally ESEA, Title II, Part D, Subpart 1; 20 U.S.C. § 6761 *et seq.*
 - **\$70 million** in additional funds for grants under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act to each state in proportion to the number of homeless students identified by the state during the 2007-2008 school year relative to the number of such children identified nationally during that period. The Secretary of Education must distribute the McKinney-Vento funds to states within 60 days of the date of enactment (by April 18, 2009).
 - Each state must award the McKinney-Vento funds as subgrants to local educational agencies no later than 120 days after receiving such funds from the Secretary of Education. State educational agencies must subgrant such funds to local educational agencies on a competitive basis or according to a formula based on the number of homeless students identified by the local educational agencies in the state.

Innovation and Improvement - \$200 million
[A.VIII]

- The ARRA provides \$200 million for distribution to states, local educational agencies, institutions of higher learning and other public and private agencies for educational innovation and improvement pursuant to the Fund for the Improvement of Education. See generally ESEA, Title V, Part D, Subpart 1; 20 U.S.C. §§ 7243 *et seq.* Funds must be expended as directed in the fifth, sixth, and seventh provisos under the heading "Innovation and Improvement" in the Department of Education Appropriations Act, 2008.

Impact Aid - \$100 million
[A.VIII]

- The ARRA provides that the Secretary of Education will make construction payments and will award school facility emergency and modernization grants to local educational agencies as set forth in section 8007 of title VIII of the ESEA. See 20 U.S.C. § 7707. No further details are provided.

Pell Grants - \$15.64 billion
[A.VIII]

- The ARRA provides additional funds to address program shortfalls and increase the maximum grant allowed.

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Student Financial Assistance - \$200 million
[A.VIII]

- The ARRA provides funding for grants to institutions of higher education to assist in the operation of work-study programs under the HEA.

Higher Education - \$100 million
[A.VIII]

- The ARRA provides additional funding for teacher quality enhancement grants to states and eligible partnerships on a competitive basis under part A of title II of the HEA. See generally 20 U.S.C. §§ 1021 *et seq.*

NSF Research and Related Activities - \$2.5 billion
[A.II]

- See Technology and Science.

National Institute of Standards and Technology Research Facilities - \$360 million
[A.II]

- See Technology and Science.

Institute of Education Sciences - \$250 million
[A.VIII]

- The ARRA provides additional funding for competitive grants to state educational agencies for statewide longitudinal data systems as set forth in section 208 of the Educational Technical Assistance Act. See 20 U.S.C. § 9607.
- Funds may be used for statewide data systems that include postsecondary and workforce information, of which up to \$5 million may be used for state data coordinators and for awards to public or private organizations or agencies to improve data coordination.

2. EMERGENCY MANAGEMENT

Firefighter Assistance Grants - \$210 million
[A.VI]

- Federal Emergency Management Agency (FEMA) administers grants to fire stations through the Assistance to Firefighters Grants (AFGs). The ARRA adds an additional \$210 million in the form of AFGs for construction or modification of state and local fire authorities. FEMA can reserve \$5 million for program administration.
- To ensure that FEMA distributes these grants to as many fire stations as possible, FEMA cannot award an AFG for over \$15 million.

Federal Fire Prevention and Control Act Grants
[A.VI]

- The ARRA waives the cost-sharing requirements for all grants under the Federal Fire Prevention and Control Act (15 U.S.C. § 2229(a)) for FY 2009 and FY 2010.

Public Transportation and Railroad Security Assistance - \$150 million
[A.VI]

- The ARRA provides an additional \$150 million for Public Transportation and Railroad Security Assistance. The FEMA currently awards grants to state and local governments, among other entities, for security-related expenses under the Implementing Recommendations of the 9/11 Commission Act (the 9/11 Act). See 6 U.S.C. §§ 1135, 1163.

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- Public Transportation Security Assistance grants are available for public transportation agencies, but agencies must first develop a security plan or undergo a security assessment under section 1135 of the 9/11 Act.
- State and local governments will have to compete for Railroad Security Assistance grants with railroad carriers, owners of railroad cars, Amtrak, the Alaska Railroad, and offerors of security-sensitive materials who ship by railroad.

Port Security Grants - \$150 million
[A.VI]

- FEMA currently awards risk-based grants to port authorities, facility operators, and state and local governments. See 46 U.S.C. § 70107. The ARRA provides an additional \$150 million for Port Security Grants, and waives state and local cost-sharing requirements for these additional funds.

Emergency Food and Shelter Grants - \$100 million
[A.VI]

- FEMA administers grants for state and local governments, and non-profit institutions, to provide food and shelter to homeless individuals, under the McKinney-Vento Homeless Assistance Act. See 42 U.S.C. § 11331. The ARRA provides an additional \$100 million for this program. The Emergency Food and Shelter Program National Board, which consists of directors of national charities, distributes the funds.

Disaster Assistance Direct Loan Program
[A.VI]

- FEMA provides loans to local governments under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. See 42 U.S.C. § 5121. For loans in response to 2008 disasters, the ARRA amends the ceiling for disaster assistance loans from 25 percent of a local government's annual operating budget to 50 percent, and allows loans to exceed \$5 million, provided the local government has experienced a 25 percent or greater loss in tax revenue.
- The ARRA provides that the cost of such loans is to be determined based on the definitions provided in the Congressional Budget Act. See 2 U.S.C. § 661(a).

Wildland Fire Management Grants - \$250 million
[A.VII]

- The ARRA provides an additional \$250 million to the Forest Service to be distributed as grants to state and private organizations for hazardous fuel reduction, forest health, and ecosystem improvement projects on state and private forests. (Another \$250 million is designated for federal lands.) Up to \$50 million can be used to make wood-to-energy grants to promote increased utilization of biomass from federal, state, and private lands.
- These additional grants are not subject to matching or cost sharing requirements.

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3. EMPLOYMENT AND FAMILY SERVICES

A. Unemployment Compensation

Extension of Emergency Unemployment Compensation Program [B.II]

- The ARRA extends the period for which individuals can be eligible for extended unemployment benefits under the Unemployment Compensation Extension Act of 2008 (Public Law 110-252; 26 U.S.C. § 3304 note) from March 31, 2009, to December 31, 2009. Pursuant to the ARRA, states can receive funds, as directed by the Secretary of Labor, to cover the extended unemployment benefits and the administrative costs of the extension. Benefits may be paid as late as May 31, 2010. The funds provided under this section need not be repaid.

Increase in Unemployment Compensation Benefits [B.II]

- The ARRA provides an additional, federally funded, \$25 weekly unemployment benefit available to all individuals receiving any form of state unemployment compensation benefit. States must distribute this benefit on the same weekly basis as any regular unemployment compensation otherwise payable, and without changing their benefit formulas in a way that would subsume this additional benefit. Also, the additional benefit must be disregarded in determining income eligibility for Medicaid and State Children's Health Insurance Program (SCHIP).
- Under the ARRA, a state will be eligible to pay the additional compensation to individuals upon entering into an agreement with the Secretary of Labor, for weeks of unemployment beginning at the agreement and ending before January 1, 2010. In turn, the state will receive funds for the total amount permitted under the agreement and for administrative expenses. Payments will be made to states on a monthly basis, and the funds need not be repaid. A state can terminate an agreement with 30 days' written notice.

Special Transfers for Unemployment Compensation Modernization - Up to \$7 billion [B.II]

- The ARRA provides "incentive payments" to states which agree to amend their unemployment compensation laws to provide more generous base-period calculations and adopt less restrictive grounds for disqualifications based on availability of and applicants' search for work. The maximum incentive payment allowable for a state will be calculated by multiplying \$7 billion by the same ratio as required for excess funds under the Reed Act, 42 U.S.C. § 1103.
- This section of the ARRA provides that one-third of the incentive payment will be contingent on the state's adoption of a more generous base period for determining eligibility for unemployment benefits. This revised base-period calculation would include the most recently completed calendar quarter before the start of the benefit year for at least those individuals that would not otherwise be eligible for unemployment compensation (UC) under state law by using a different base period. If a state qualifies for the first one-third of the ARRA incentive payment, it will be eligible for the remaining two-thirds of the payment if it adopts more lenient disqualification standards for unemployment compensation and pays higher allowances to eligible UC recipients with dependents, as specified under ARRA § 2003.
- The Secretary of Labor is required to issue rules regarding state law modernization provisions within 60 days after enactment (by April 18, 2009). The Secretary has 30 days



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after receiving a complete application to determine if states are eligible for modernization incentive payments.

- States must have permanent laws in place, or set to take effect within 12 months, that contain the revised provisions. The Secretary of Labor will determine whether a state's laws meet the stated requirements. All incentive payments must be made before October 1, 2011, and all applications must be submitted after the date of enactment but not later than the date necessary for final payment to be made before October 1, 2011.

Special Transfers for Unemployment Compensation Modernization - Up to \$500 million
Special Transfer in FY 2009 for Administration
[B.II]

- In addition to any other amounts awarded, states agreeing to make changes to their laws receive funds for administrative costs of carrying out the changes, for improved outreach of UC-eligible individuals, for improvement of unemployment benefit or unemployment tax operations, and for staff-assisted reemployment services for UC claimants. The states' portion of the \$500 million, calculated by a statutory formula, is transferred to the states' accounts in the Unemployment Trust Fund within 30 days of the date of enactment (by March 19, 2009).
- The Secretary of Labor may set rules for carrying out this subsection.

Full Federal Funding of Extended Unemployment Compensation for a Limited Period
[B. II]

- The Federal-State Extended Unemployment Compensation Act of 1970 (EUCA) established an Extended Benefit (EB) program that extends receipt of Unemployment Benefits (UB) at the state level if certain economic conditions exist within the state. The ARRA temporarily eliminates state cost-sharing for extended unemployment compensation benefits for states that are eligible for EB under the EUCA, from the date of enactment through January 1, 2010. States may opt to extend eligibility until June 1, 2010, with respect to those workers who receive extended compensation after enactment and before January 1, 2010.
- This provision of the ARRA temporarily allows states to award EB to individuals who qualified for, but exhausted, benefits under the 2008 Extended Unemployment Compensation Act, even if the individual has received benefits past the state-determined benefit year (usually 52 weeks). The existing one-week waiting period for extended benefit compensation remains suspended until the week ending before May 30, 2010.

B. Temporary Assistance for Needy Families (TANF)

Emergency Fund for TANF Program - \$5 billion
[B.II]

- The ARRA provides \$5 billion in new funds over two years to the TANF block-grant program to states and tribes experiencing increased cash welfare caseloads. States with separate state programs funded with TANF state maintenance of effort dollars are also eligible for grants from the fund, as are states with increased short-term non-recurrent benefit expenditures or increased subsidized employment expenditures under TANF and separate state programs. Grantees are subject to funding caps from the emergency fund, which is repealed as of October 1, 2010.

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Extension of TANF Supplemental Grants
[B.II]

- The ARRA extends through FY 2010 \$319 million in supplemental grants to 17 states that have high rates of population growth or historically low federal welfare allocations relative to their existing poverty levels. The ARRA extends these supplemental grants by amending section 7101(a) of the Deficit Reduction Act of 2005, as amended by section 301(a) of the Medicare Improvements for Patients and Providers Act of 2008. 42 U.S.C. §§ 1305 *et seq.*
- The 17 states that qualify for supplemental grants are: Alabama (\$11.1 million); Alaska (\$6.9 million); Arizona (\$23.9 million); Arkansas (\$6.2 million); Colorado (\$13.6 million); Florida (\$60.0 million); Georgia (\$37.3 million); Idaho (\$3.5 million); Louisiana (\$17.0 million); Mississippi (\$9.0 million); Montana (\$1.1 million); Nevada (\$3.7 million); New Mexico (\$6.6 million); North Carolina (\$36.1 million); Tennessee (\$21.6 million); Texas (\$52.7 million); and Utah (\$8.7 million).

Clarification of Authority of States to Use TANF Funds Carried Over From Prior Years to Provide TANF Benefits and Services
[B.II]

- The ARRA allows states to use reserve TANF funds for any TANF benefit, service, or activity.

C. Trade Act Provisions

Administrative and Case Management Funds for Trade Act Training
[B.I]

- The ARRA provides additional funds for states to defray administrative and case management expenses incurred in providing training under section 236 of the Trade Act of 1974 (Trade Act). States will receive an additional payment equal to 15 percent of the funds they would normally receive.
- The ARRA also provides a lump sum payment of \$350,000 to each state for the same purposes described above. States may decline this payment and return the funds to the Secretary of Labor.

Training Funding - \$853.75 million
[B.I]

- The ARRA amends section 236 of the Trade Act by increasing funds to states for training as defined in section 236(a)(2) of that act. The ARRA provides \$575 million for FY 2009 and FY 2010, and \$143.75 million for the period beginning October 1, 2010 and ending December 31, 2010.
- The Secretary of Labor must make an initial distribution of training funds to the states as soon as practicable based on: (1) the trend in numbers of certified workers (as defined in the Trade Act); (2) the trend in numbers of workers participating in training; (3) the number of workers enrolled in training; (4) the estimated amount of funding needed to provide approved training; and (5) other factors the Secretary determines are appropriate. The initial distribution must not be less than 25 percent of the initial distribution to any individual state in the previous fiscal year.
- In making an initial distribution of funds, the Secretary of Labor must hold in reserve 35 percent of the funds for that fiscal year in order to provide for additional distributions. However, not less than 90 percent of the available funds must be distributed by July 15 of that fiscal year.



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- Upon a state's request, the Secretary of Labor may distribute funds held in reserve if additional training funds are deemed necessary. The Secretary will establish procedures for the distribution of additional funds. These procedures must be issued not later than one year after the date of enactment (by February 17, 2010).

Trade Adjustment Assistance for Communities - \$150 million
[B.I]

- The ARRA provides grants for "eligible communities" (those affected by trade) to undertake projects to adjust to the impact of trade. Grant application is a two-step process:
 - First, a community (city, county, other state political subdivision, or consortium thereof) must petition the Secretary of Commerce to be designated as an "eligible community" and will be so designated if (1) there is a certification that workers, firms, or agriculture commodity producers are eligible for adjustment assistance under the Trade Act, 19 U.S.C. § 2371; and (2) the community is significantly affected by the threat to, or the loss of, jobs associated with that certification. See ARRA § 1872 (amending Trade Act § 273(b)(3)).
 - Second, an eligible community may apply for a grant (not exceeding \$5 million) by submitting a description of its strategic plan to adjust to trade and the particular project therein to be funded. The community itself must fund at least 5 percent of the project. Priority will be given to small and medium-sized communities.
- Communities may also apply for grants (\$56.25 million out of the \$150 million authorized) to help develop the strategic plan, which must contain several enumerated components, such as an analysis of the community's economic development and its capacity for adjustment. See ARRA § 1872 (amending Trade Act § 276(b)-(c)).
- The Secretary of Commerce will establish additional rules for grant applications.

Community College and Career Training Grants - \$90 million
[B.I]

- The ARRA amends chapter 4, subchapter B of the Trade Act, and authorizes the Secretary of Labor to award Community College and Career Training grants to eligible institutions (as defined in section 102 of the Higher Education Act (20 U.S.C. § 1002)). The provision authorizes, but does not appropriate, \$90 million for the program. Institutions are eligible for only one grant, not to exceed \$1 million.
- No later than June 1, 2009, the Secretary of Labor will issue guidelines for the submission of grant proposals. Proposals must include a detailed description of: (1) the specific project for which the proposal is submitted, including the manner in which the funds will be used to develop, offer, or improve an education or career training program that is suited to workers eligible for training under section 236 of the Trade Act; (2) the extent to which the project will meet the education and career training needs of workers in the community served by the eligible institution who are eligible for training under section 236 of the Trade Act; (3) the extent to which the project fits within any overall strategic plan developed by an eligible community under section 276 of the Trade Act; (4) the extent to which the project relates to any project funded by a Sector Partnership Grant awarded under section 279A of the Trade Act; and (5) any previous experience of the institution in providing education or career training programs to workers eligible for training under section 236 of the Trade Act.
- The absence of any previous experience in providing training to section 236 workers will not automatically disqualify an institution from receiving a grant.



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- In order to be considered by the Secretary of Labor for a grant, the eligible institution must demonstrate that it has reached out to employers described in section 276(a)(2)(B) of the Trade Act to identify any shortcomings in existing training opportunities within the community, and has reached out to similarly situated institutions or eligible partnerships in the community to identify appropriate best practices and to avoid duplication of efforts. Institutions must provide a detailed description of such efforts.

Industry or Sector Partnership Grant Program for Communities Impacted by Trade - \$90 million
[B.I]

- The ARRA amends chapter 4, subchapter C of the Trade Act and authorizes, but does not appropriate, \$90 million for grants to facilitate efforts by industry or sector partnerships to strengthen and revitalize industries and create employment opportunities for workers in communities impacted by trade.
- The program contemplates the establishment of partnerships between a private industry or sector within the community, state and local governments, local workforce investment boards (as established under section 117 of the Workforce Investment Act of 1998 (29 U.S.C. § 2832)), labor organizations, and educational institutions. The partnership is to be directed by a "lead entity," defined as an entity designated by the partnership to be responsible for submitting a grant proposal, or as a state agency designated by the governor of a state.
- The lead entity of a partnership must submit a grant proposal to the Secretary of Labor. Proposals must: (1) identify the members of the partnership; (2) identify the targeted industry or sector for which the partnership intends to carry out projects; (3) describe the partnership's goals; (4) describe the projects the partnership will undertake to achieve its goals; (4) demonstrate that the eligible partnership has the organizational capacity to carry out such projects; (5) explain whether the community impacted by trade has sought or received a community grant under section 275 of the Trade Act, a Community College and Career Training Grant under section 278, or funds pursuant to any other federally funded training project, and explain how the partnership will coordinate the use of Sector Partnership Grants with the use of other grants to avoid duplication of effort; and (6) include performance measures, based on those issued by the Secretary.
- Only one grant may be awarded to a partnership. The grant must not exceed \$2.5 million, unless the partnership is located in a community impacted by trade that is not served by an institution receiving a Community College and Career Training Grant, in which case the maximum grant is \$3 million.
- Projects eligible for grant awards must be carried out within three years. No later than one year after receiving a Sector Partnership Grant, and three years thereafter, the lead entity must submit to the Secretary of Labor a report containing a detailed description of the progress made toward achieving the goals elaborated in the original grant proposal, and a detailed description of the expenditure of grant funds.

D. Other Employment and Family Service Provisions

Workforce Investment Programs - \$3.95 billion
[A.VIII]

- The Department of Labor, Employment and Training Administration administers funds under the Workforce Investment Act (29 U.S.C. § 2801). The ARRA adds \$3.95 billion to these funds, which are available in the form of grants to state and local governments, in addition to non-profits, between the date of enactment (February 17, 2009) and June 30, 2010. The ARRA allows local workforce investment boards to contract with institutions of



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higher education if this would boost enrollment in training programs for high-demand occupations. Of the additional funds provided by the ARRA:

- **\$500 million** is designated for adult employment and training programs. States must give priority for inclusion in these programs to recipients of public assistance and other low-income individuals, as defined in 29 U.S.C. § 2864.
- **\$1.2 billion** is designated for youth job training programs. The maximum age is increased to twenty-four. None of these funds are to be reserved for youth opportunity grants pursuant to 29 U.S.C. § 2852.
- **\$1.25 billion** is designated for employment and training programs for dislocated workers.
- **\$200 million** is designated for the national reserve for assistance to dislocated workers.
- **\$50 million** is designated for the YouthBuild program, which provides housing-construction skills to at-risk youth. In 2009, YouthBuild programs can include high school drop-outs who have enrolled in an alternative school.
- **\$750 million** is designated for competitive grants for worker training and placement in high-growth and emerging industry sectors. Of this total, \$500 million is designated for training and placement in energy efficiency and renewable energy jobs, as defined in 29 U.S.C. § 2916. The Secretary of Labor shall give priority in awarding the remaining \$250 million for programs that train and place workers in the health care sector.

Children and Family Services Programs - \$3.15 billion
[A.VIII]

- The ARRA provides \$3.15 billion for children and family services programs as follows:
 - **\$1 billion** for Head Start grants under the Head Start Act (42 U.S.C. § 9831). Grants are available to state and local governments, as well as for-profit and non-profit organizations.
 - **\$1.1 billion** for Early Head Start, which provides funding for infants and toddlers under § 645(A) of the Head Start Act (42 U.S.C. § 9840a). Grants are available for state and local governments and for-profit and non-profit organizations.
 - **\$1 billion** for Community Service Block Grant programs under the Community Service Block Grant Act (42 U.S.C. § 9901). For such grants provided by the ARRA during FY 2009 and FY 2010, states can increase the income eligibility ceiling for receipt of services from 125 percent to 200 percent of the federal poverty level.
 - **\$50 million** for unspecified spending under section 110 of the Social Security Act (42 U.S.C. § 1310), which provides grants to states and local organizations.

Child Care and Development Block Grants - \$2 billion
[A.VIII]

- The ARRA makes additional funds available for grants to state programs that provide low-income families and public-assistance recipients with child care so that parents can work or attend work-training or education classes. The ARRA requires that such grants be used to supplement, not supplant, state funding for child care assistance to low-income families.
- Of the total, **\$255,186,000** is designated for activities such as programs to improve consumer education, parental choice, and the quality and availability of child care. **\$93,587,000** of this amount is designated for programs that improve the quality of infant and toddler care.



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- The grants are administered by the Department of Health and Human Services, Administration for Children and Families, under the Child Care and Development Block Grant Act (42 U.S.C. § 9858).

Rehabilitation Services and Disability Research - \$680 million

[A.VIII]

- The ARRA provides additional funding for grants to states to carry out the Vocational Rehabilitation Services program under the Rehabilitation Act of 1973 (Rehabilitation Act):
 - **\$540 million** for grants to state vocational rehabilitation agencies under part B of title I of the Rehabilitation Act. See generally 29 U.S.C. §§ 720 *et seq.*
 - **\$140 million** for Independent Living programs, per parts B and C of chapter 1 and chapter 2 of title VII of the Rehabilitation Act, including \$18.2 million for grants to states; \$87.5 million for independent living centers; and \$34.3 million for services for older blind individuals. See generally 29 U.S.C. §§ 796 *et seq.*
- The ARRA eliminates state cost-sharing for the use of these additional funds for vocational rehabilitation services.

State Unemployment Insurance and Employment Services Grants - \$400 million

[A.VIII]

- The ARRA provides funds for grants for unemployment insurance and employment services made available to the states through September 30, 2010, by the Department of Labor, Employment and Training Administration.
- Grants will be distributed according to the formula found in section 6 of the Wagner-Peyser Act (29 U.S.C. § 49). This formula allots two-thirds of grant monies based on the ratio of civilian laborers in each state to the total in all the states; the remaining one-third is allotted based on the ratio of the unemployed in each state to the total in all states.
- The Secretary of Labor must designate \$250 million of the total for reemployment services for unemployment insurance claimants.

Job Corps Centers - \$250 million

[A.VIII]

- The Department of Labor, Office of Jobs Corps, currently oversees Job Corps Centers, which provide education and vocational training for eligible individuals between the ages of 16 and 24. Pursuant to section 147 of the Workforce Investment Act (29 U.S.C. § 2887), the Secretary of Labor currently selects operators for Jobs Corps Centers from applications submitted by federal, state, local, and private entities.
- The ARRA allocates an additional \$250 million to the Office of Job Corps for the construction, rehabilitation, and acquisition of these Job Corps Centers. The Secretary of Labor may allocate up to 15 percent of these funds to Jobs Corps Centers for operation, which may include training for careers in energy efficiency, renewable energy, and for environmental protection agencies.
- These funds are available from the date of enactment (February 17, 2009) and remain available for obligation through June 30, 2010.

Corporation for National and Community Service Programs - \$154 million

[A.VIII]

- The Corporation for National and Community Service (CNCS) manages a series of volunteer programs, including AmeriCorps and Senior Corps, under the Domestic Volunteer Service Act (42 U.S.C. § 4950) and the National and Community Service Act (42

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U.S.C. § 12501). In addition, the CNCS provides grants to national, state, and local governments, as well as non-profits, for performing volunteer programs.

- The ARRA provides an additional **\$89 million** for existing AmeriCorps grantees, including state and local governments, and allows these funds to be used for increases in grants made prior to September 30, 2010, if the Chief Executive Officer for CNCS deems it appropriate to waive the cost-sharing requirements.
- The ARRA provides an additional **\$65 million** for the AmeriCorps Volunteers in Service to America (VISTA) program. State and local governments, as well as non-profit organizations, can obtain this money by applying for grants for local service projects.

Community Service Employment for Older Americans Grants - \$120 million
[A.VIII]

- The ARRA increases the amount available for grants to state and local governments and non-profit organizations that provide work training to Americans over age 55, administered by the Department of Labor, Employment and Training Administration, under the Older Americans Act (42 U.S.C. § 3001). Funds are available only to existing 2008 grantees.
- The Department of Labor will automatically increase the amount of 2008 grants within 30 days of the date of enactment (by March 19, 2009). Grantees must spend additional amounts before July 1, 2010, or unspent funds may be recaptured and reallocated by the Secretary.

Temporary Resumption of Prior Child Support Law
[B.II]

- Under current law, the federal government provides incentive payments to states to encourage them to develop and implement effective child support enforcement (CSE) programs. See 42 U.S.C. § 655(a)(1). The ARRA temporarily provides federal matching for federal CSE incentive funds that are reinvested back into state CSE programs or related activities. Federal matching funds for child support incentive payments are to be provided for FY 2009 and FY 2010.

4. **ENERGY**

Weatherization Assistance Program - \$5 billion
[A.IV]

- The Department of Energy currently provides grants to states for distribution to low-income homes to purchase and install materials and implement other weatherization measures to improve energy efficiency under the Weatherization Assistance Program, 42 U.S.C. §§ 6861 *et seq.* The ARRA expands the number of households eligible for assistance by increasing eligibility levels to households at or below 200 percent of the federal poverty level and increasing maximum assistance to \$6,500. States can also receive funding for the administrative costs of retaining technical professionals to develop strategies to implement their weatherization program.
- Under the existing program, states must submit an annual application to the Department of Energy requesting available funds and identifying the number of dwelling units to be weatherized, relevant climate conditions, and other factors. 42 U.S.C. § 6864. A state also must provide reasonable assurances to the Department that it has: (1) established a broadly-representative policy advisory council with appropriate qualifications to channel funding for weatherization projects; (2) established priorities to govern the provision of weatherization assistance to low-income persons, and established methods to prioritize assistance to elderly and handicapped low-income persons; and (3) has selected non-

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profits and other agencies to undertake weatherization activities in an open, public process. Although there is no maintenance of effort provision tied to fiscal year, states applying for weatherization funds are required to make certain additional assurances regarding the level of state and local funding to be provided. 42 U.S.C. § 6864.

- If a state fails to submit an application to the Department of Energy for weatherization assistance, any unit of general purpose local government or a community action agency carrying out weatherization programs may submit an application in lieu of the state. 42 U.S.C. § 6864(c).
- The Secretary of Energy may impose reporting requirements on funding recipients.

Energy Efficiency and Conservation Block Grants - \$3.2 billion
[A.IV]

- The ARRA will provide \$3.2 billion for grants to states and local governments to develop and implement energy efficiency and conservation strategies. The Department of Energy will distribute the funds to states participating in the Energy Efficiency and Conservation Block Grants Program. See Energy Independence and Security Act of 2007, 42 U.S.C. §§ 17151-58. The Department has not yet published rules governing this program.
- Of the funds provided by the ARRA, **\$2.8 billion** will be automatically distributed by statutory formula, which takes into account population and other factors. 42 U.S.C. § 17153. The remaining \$400 million is available through a competitive grant program.
- Funding can be used to conduct energy audits, perform energy efficiency retrofits, implement more efficient energy distribution technologies, develop or install renewable energy technologies, and incentivize energy efficiency improvements in the private sector. Grantees may use up to the greater of 20 percent or \$250,000 of funds to establish revolving loan funds and the same amount to provide subgrants to assisting non-government organizations.
- Applicants must provide DOE with a proposed energy efficiency and conservation strategy within one year of receiving funding. DOE must approve the proposed plan within 120 days or return it to the community for revision.
- Grantees must provide DOE with a report detailing the implementation of its Energy Efficiency and Conservation Strategy, as well as realized energy efficiency gains, no later than two years after the date on which funds were initially provided.

State Energy Programs - \$3.1 billion
[A.IV]

- The ARRA provides \$3.1 billion in additional funds for the Department of Energy to distribute as grants to applicant states to assist in preparing and implementing comprehensive state energy conservation plans (State Energy Programs), pursuant to the Energy Policy and Conservation Act of 1975. 42 U.S.C. § 6321; 10 C.F.R. §§ 420.1-.38.
- The ARRA conditions grants to a state upon certification by the governor that: (1) the state utility commission will implement policies that ensure the state-regulated electric and gas utilities have appropriate financial incentives to help their customers reduce energy use (i.e., the "decoupling" of a utility's revenues from energy consumption);⁶ and (2) the state, or the applicable unit of local government, will implement energy codes for residential and commercial buildings that meet or exceed certain conservation and efficiency standards.

⁶ Whereas the House version of the bill provided a clear mandate to decouple, the ARRA is less definite, merely requiring the governor to certify that the state *will* take certain actions that seem to amount to decoupling.

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States also are required to prioritize funding to energy efficiency and renewable energy projects, such as building retrofits.

Alternative Fueled Vehicles Pilot Grant Program - \$300 million
[A.IV]

- The ARRA provides an additional \$300 million to the Department of Energy's Energy Efficiency and Renewable Energy program for an existing Alternative Fueled Vehicles Pilot Grant program for state and local governments or metropolitan transportation authorities.

Wildland Fire Management Grants - \$265 million
[A.VII]

- See Emergency Management.

Workforce Investment Programs: Energy Efficiency and Renewable Energy Jobs - \$500 million
[A.VIII]

- See Employment and Family Services.

5. **ENVIRONMENT AND NATURAL RESOURCES**

Clean and Drinking Water State Revolving Funds - \$6 billion
[A.VII]

- The Environmental Protection Agency currently provides capitalization grants to states and tribal organizations to fund water quality protection projects and infrastructure improvements in drinking-water systems under the Federal Water Pollution Control Act (FWPCA) (33 U.S.C. § 1251) and the Safe Drinking Water Act (SDWA) (42 U.S.C. § 300), respectively. The ARRA provides an additional \$4 billion for the Clean Water State Revolving Fund and an additional \$2 billion for the Drinking Water State Revolving Fund, and waives state and local matching and cost-sharing requirements for these additional grants under the program.
- Priority will be given to projects that are ready to begin construction within 12 months of the date of enactment (by February 17, 2010). Projects must be under contract or construction within 12 months; otherwise, the Administrator will recapture and reallocate funds under this program.
- Each state must use 20 percent of its grants for green infrastructure, water and energy efficiency, water quality improvements, wastewater treatment, storm water runoff mitigation, or water conservation, unless a state lacks sufficient applications from eligible projects.
- These grants cannot be used to purchase either land or easements. They can, however, be used to restructure the debt obligations of grant recipients, but only if this debt was incurred on or after October 1, 2008.

Bureau of Reclamation Water Resources Projects - \$1 billion
[A.IV]

- The ARRA provides an additional \$1 billion to the Bureau of Reclamation of the Department of the Interior for water and related resources infrastructure projects under a variety of its programs. Bureau of Reclamation projects are generally funded through a combination of state and federal funds. The Department of the Interior, after collaboration with states, submits project or program proposals to Congress for funding through the appropriations process.

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- The Secretary of the Interior has unlimited reprogramming authority with respect to the funds appropriated to Bureau of Reclamation projects. However, the Secretary of the Interior must file quarterly reports describing the expenditure of funds under this program, beginning no later than 45 days after the date of enactment (by April 3, 2009).
- ARRA funds that may provide assistance to state water resources include:
 - **\$126 million** for water reclamation and reuse projects authorized under Title XVI of the Reclamation Projects Authorization and Adjustment Act of 1992. Under this program, Reclamation States receive federal funding to assist in the construction of wastewater reclamation and reuse feasibility and demonstration projects.
 - **\$50 million** that may be transferred to the Department of the Interior for programs, projects, and activities implemented under the Central Utah Project Completion Act.
 - **\$50 million** that may be used for programs, projects, and activities authorized by the California Bay-Delta Restoration Act. This program funds flood control projects and other measures designed to improve the overall health of San Francisco Bay. Under the existing program, federal funds may not exceed 33 percent of project costs, a provision that appears to be unaltered under the ARRA.
 - At least **\$60 million** that must be used for rural water projects, primarily water intake and treatment facilities.
 - Other funds available under this appropriation can be used under existing authority to fund extraordinary maintenance and replacement activities.

Army Corps of Engineers Construction Projects - \$2 billion
[A.IV]

- The ARRA provides an additional \$2 billion to the Army Corps to allocate to construction projects. Army Corps projects are generally funded through a combination of state and federal funds, and are selected through collaboration among governments.
- These funds are only to be used for programs, projects, and activities that receive funding in legislation making appropriations for energy and water development. At least \$200 million of these funds must be spent on water-related environmental infrastructure assistance.
- The funds are not subject to current cost-overrun rules, which may erect barriers to additional federal funding once an initial project amount has been approved. Eligible projects must not require the creation of new budget authority.

Army Corps of Engineers Mississippi River and Tributaries Program - \$375 million
[A.IV]

- The ARRA provides \$375 million in additional funding to the Army Corps for eligible projects under the Mississippi River and Tributaries program. Army Corps projects are generally funded through a combination of state and federal funds, and are selected through collaboration among governments.
- These funds are only to be used for programs, projects, and activities that receive federal appropriations for energy and water development. Like the funds appropriated to general construction projects, appropriations under this program are not subject to cost-overrun rules, but must not require the creation of new budget authority.



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- The Secretary of the Army has unlimited reprogramming authority with respect to the funds appropriated to this program. However, the Secretary must file quarterly reports describing the expenditure of funds under this program, beginning no later than 45 days after the date of enactment (by April 3, 2009).

Army Corps of Engineers Operation and Maintenance Projects - \$2.075 billion
[A.IV]

- The ARRA provides \$2.075 billion in additional funding to the Army Corps for Operation and Maintenance projects. Army Corps projects are generally funded through a combination of state and federal funds, and are selected through collaboration among governments.
- These funds are only to be used for programs, projects, and activities that receive federal appropriations for energy and water development. Projects funded under this appropriation must not require the creation of new budget authority.
- The Secretary of the Army has unlimited reprogramming authority with respect to the funds appropriated to this program. However, the Secretary must file quarterly reports describing the expenditure of funds under this program, beginning no later than 45 days after the date of enactment (by April 3, 2009).

Hazardous Substance Superfund - \$600 million
[A.VII]

- The ARRA provides an additional \$600 million to the Environmental Protection Agency for the Superfund remedial program. Under existing law, states may enter into cooperative agreements with EPA to conduct certain remedial actions at Superfund sites and receive a credit from the federal government for 90 percent of eligible expenses. See 42 U.S.C. § 9604.

Leaking Underground Storage Tank Trust Fund Program - \$200 million
[A.VII]

- The ARRA provides an additional \$200 million for the Leaking Underground Storage Tank Trust Fund program for cleanup activities under EPA's response program for petroleum authorized by 42 U.S.C. § 6991b(h). The ARRA waives the state and local cost-sharing requirements of 42 U.S.C. § 6991b(h)(7)(B) for these additional grants.

Brownfield Projects - \$100 million
[A.VII]

- The EPA currently administers grants available to states, local governments, land clearance authorities, and regional authorities (but not available to for-profit or non-profit organizations), under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9604).
- The ARRA provides an additional \$100 million for grants for "brownfields" (contaminated land) revitalization projects. The ARRA waives cost-sharing requirements for grants made to brownfields under this provision.

Diesel Emission Reduction Act Grants - \$300 million
[A.VII]

- The ARRA provides an additional \$300 million for an EPA program to promote diesel emission reduction through grants and low cost loans to state, local, and tribal governments and port authorities, under the Energy Policy Act of 2005 (42 U.S.C. § 16131). The ARRA waives state matching requirements for these additional grants.

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Watershed and Flood Prevention - \$290 million
[A.I]

- The Department of Agriculture, Natural Resources Conservation Service provides grants to state, local, and tribal governments for watershed and flood prevention. The ARRA provides an additional \$145 million for these grants, designated for the purchase of floodplain easements from public or private land owners under section 403 of the Agriculture Credit Act (42 U.S.C. § 2203).
- Grant recipients must be able to begin work promptly and be able to complete the projects without the need for additional funding.

Watershed Rehabilitation Program - \$50 million
[A.I]

- The Department of Agriculture, Natural Resources Conservation Service, provides grants to state, local, and tribal governments for watershed rehabilitation. The ARRA provides an additional \$50 million for these grants.
- Grant recipients must be able to begin work promptly and be able to complete the projects without the need for additional funding.

6. **HEALTH CARE**

A. **Medicaid Provisions (State Fiscal Relief)**

State Fiscal Relief - \$87 billion⁷
[B.V]

- **Temporary Increase in Federal Medical Assistance Percentage (FMAP).** The ARRA increases the federal share of Medicaid payments in three ways. First, states are "held harmless" for any reductions in their FMAP that would have applied this year and through the first quarter of 2011 due to stronger economic conditions that may have prevailed in the state in past years. Second, the ARRA increases each state's FMAP by 6.2 percent through December 31, 2010. Third, states with increasing unemployment, determined on a quarterly basis, qualify for additional increases during the recession adjustment period (October 1, 2008, through December 31, 2010); any additional increase will remain in place at least through July 1, 2010.
- States are not eligible for FMAP increases if (1) they have more restrictive Medicaid eligibility standards, methodologies, or procedures than those in place on July 1, 2008; (2) they have failed to make prompt payments; or (3) they attempt to hold onto any resulting state savings in a rainy day fund. If a state has restricted its Medicaid policies since July 1, 2008, it is eligible for an increased FMAP, retroactive to October 1, 2008, if it reinstates less restrictive policies by July 1, 2009. If a state reinstates less restrictive policies after July 1, 2009, it is eligible for an increased FMAP beginning with the first calendar quarter in which the less restrictive policies are reinstated. States that benefit from an increased FMAP are subject to certain reporting requirements and must submit a form regarding how funds were expended by September 30, 2011.
- **Note for local governments:** If a state requires political subdivisions to contribute to the non-federal share of the state Medicaid plan, the state cannot require a greater

⁷ Based on estimates from the Government Accountability Office and the Center on Budget and Policy Priorities.

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percentage of the non-federal share than would have been required prior to the temporarily enhanced FMAP.

- Note for territories: Each territory can select, via a one-time special election, a 6.2 percent increase in its FMAP and a 15 percent increase in its spending cap; otherwise it will be granted a 30 percent increase in its spending cap.
- **Temporary Increase in Disproportionate Share Hospital (DSH) Allotments.** The ARRA provides for a temporary increase in the DSH allotment for each state. For FY 2009, this provision will increase DSH allotments by 2.5 percent above the allotments states would have received under preexisting law. States' DSH allotments in FY 2010 will be equal to the FY 2009 allotments further increased by 2.5 percent. These increases will only apply if the state would not receive a larger increase under preexisting law. DHS allotments for FY 2011 and beyond will be calculated without regard to the temporary increases.
- **Extension of Transitional Medical Assistance (TMA).** The ARRA provides for an eighteen-month extension of work-related TMA (through December 31, 2010). States may use a 12-month, rather than 6-month, initial extension period for families transitioning from welfare to work (in which case the additional 6-month extension no longer applies). States may also grant extensions to families that have received such aid for less than three months. States are subject to statistical reporting requirements, with reports due to HHS.
- **Extension of the Qualifying Individual Program.** The ARRA provides for a one-year extension of the qualifying individual program (through December 2010) with an allocation of \$412.5 million for the period between January 1, 2010 and September 30, 2010 and \$150 million for the period between October 1, 2010 and December 31, 2010.
- **Indian Medicare and Medicaid Provisions.** The ARRA eliminates premiums, cost sharing, co-payments and similar charges for Indians who receive treatment from the Indian Health Service, an Indian Tribe, a Tribal Organization, an Urban Indian Organization, or a health care provider through referral under the contract health services program. Medicaid payments to those organizations will not be reduced by any amount that would be due from an Indian, if such charges were permitted. Furthermore, with respect to Indians, the ARRA exempts certain property for Medicaid eligibility determinations, protects tribal property from Medicaid estate recovery, and sets forth rules to provide access to Indian primary care providers and assure payment to Indian health care providers.

B. Electronic Health Record (EHR) Technology

Incentives for Providers to Adopt EHR Technology - \$63,750 (per Medicaid Provider)
[B.IV]

- Under the ARRA, the federal government will provide contributions for amounts states pay to eligible Medicaid providers to encourage the adoption of EHR technology, in order to promote health care quality and the exchange of health care information. The contributions can be as much as \$21,250 per provider for the first year of payments (which may not be later than 2016), and as much as \$8,500 for up to five years thereafter. Providers eligible for both Medicare and Medicaid incentive payments are required to choose one.
- Eligible providers include physicians, nurses and midwife nurses who are not hospital based and whose patient volume is at least 30 percent attributable to Medicare. Such providers are eligible for payment of up to 85 percent of their net allowable technology costs, up to the maximum and subject to specified annual limits. Acute care hospitals with Medicaid patient volume of 10 percent or more and children's hospitals with any Medicaid



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volume are also eligible. Payments to hospitals are limited to amounts analogous to those specified for Medicare hospitals in § 4312 of the Act.

- In order to be eligible for federal contributions, states must provide assurances that the amounts are paid directly to Medicaid providers without deductions or rebates. States may receive contributions for the administrative costs of making payments to encourage the use of certified EHR technology. Additionally, the state must conduct adequate oversight of its EHR technology encouragement program.

Incentives for Hospitals to adopt EHR Technology - Variable Amount (per Hospital)
[B.IV]

- The ARRA provides funding for hospitals that are "meaningful users" of EHR technology, as defined by the ARRA. The hospital must demonstrate (via attestation, claim submission, survey, or other method specified by the Secretary) that meaningful EHR technology is connected in a manner that provides for the electronic exchange of health information to improve the quality of health care coordination. Information relating to clinical quality measures must be submitted in a form and manner specified by the Secretary.
- The amount of federal funding for each hospital using EHR technology is determined by a formula contained in Section 4102(a)(1) of the ARRA, with a base amount of \$2 million. Critical Access Hospitals may receive additional EHR technology-related payments under Section 4102(a)(2) of the ARRA.

C. National Coordinator for Health Information Technology

Grants to the Office of the National Coordinator for Health Information Technology - \$2 billion
[A.VIII]

- The ARRA allocates \$2 billion to the Department of Health and Human Services's Office of the National Coordinator for Health Information Technology (ONCHIT) for efforts to create a national medical record database. Of this allocation, **\$300 million** is designated for "regional or sub-national efforts" toward health information exchange.

Immediate Funding to Strengthen the Health Information - At least \$300 million
Technology Infrastructure
[A.XIII]

- The ARRA requires the Secretary of Health and Human Services (HHS Secretary) to promote the use and exchange of electronic health information (HIT). Funds are to be administered through federal agencies with expertise to support the following: (1) HIT architecture to support the secure electronic exchange of information; (2) electronic health records for providers not eligible for HIT incentive payments under Medicare and Medicaid; (3) training and dissemination of information on best practices to integrate HIT into health care delivery; (4) telemedicine; (5) interoperable clinical data repositories; (6) technologies and best practices for protecting health information; and (7) HIT use by public health departments.
- The HHS Secretary is required to invest \$300 million to support regional health information exchanges, and may use funds to carry out other authorized activities.

Health Information Technology Implementation Assistance
[A.XIII]

- The ARRA requires the HHS Secretary, acting through the National Coordinator for HIT, in consultation with NIST and other agencies, to establish an HIT extension program to assist providers in adopting and using certified electronic health resource technology. The Secretary is also required to support HIT Regional Extension Centers affiliated with non-

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profit organizations to provide assistance to providers in the region. The Secretary is required to give priority to public, non-profit, and critical access hospitals, community health centers, individual and small group practices, and entities that serve the uninsured, underinsured and medically underserved individuals. Funded entities may receive up to four years of funding to cover up to 50 percent of their capital and annual operating and maintenance expenditures.

- The HHS Secretary is required to publish a notice describing the program and the availability of funds within 90 days of the date of enactment (by May 18, 2009). Each regional center receiving funding would be required to submit to a biennial evaluation of its performance against specified objectives, and continued funding after two years is contingent on receiving a positive evaluation. The HHS Secretary may require an annual report. An annual review by the National Coordinator for HIT is required.

State Grants to Promote Health Information Technology
[A.XIII]

- The National Coordinator for HIT is authorized to award planning and implementation grants to states or qualified state-designated entities to facilitate and expand electronic health information exchange.
- The state or state-designated entity (as defined under § 3013(f) of the Public Health Service Act) must submit a plan describing the activities to be carried out to facilitate HIT exchange. States must contribute a certain portion of matching funds after FY 2011 and the HHS Secretary has the discretion to require such matching funds before then. The Secretary may require annual reports. An annual review by the National Coordinator for HIT is required.

Competitive Grants to States and Indian Tribes for the Development of Loan Programs to Facilitate the Widespread Adoption of Certified EHR Technology
[A.XIII]

- The National Coordinator for HIT is authorized to award competitive grants to states and Indian tribes to establish loan programs for health care providers to purchase EHR technology, train personnel in the use of that technology and improve the secure exchange of health information. Grantees would be required to (1) establish a qualified HIT loan fund, (2) submit a strategic plan, updated annually, that describes the intended uses of the funds and provides assurances of their proper use by health care providers, and (3) provide matching funds (at least \$1 for every \$5 of federal funds).
- No awards are permitted under this subsection before January 1, 2010. The HHS Secretary may require an annual report. An annual review by National Coordinator for HIT is required.

Demonstration Program to Integrate Information Technology Into Clinical Education
[A.XIII]

- The ARRA authorizes the HHS Secretary to award competitive grants to graduate health education programs to integrate HIT into the clinical education curriculum. Grantees must submit a strategic plan. The grant cannot cover more than 50 percent of the costs of any assisted activity (absent a waiver). The HHS Secretary may require an annual report. An annual review by the National Coordinator for HIT is required.

Information Technology Professionals in Health Care
[A.XIII]

- The ARRA requires the HHS Secretary to provide financial assistance to universities to establish or expand medical informatics programs, in consultation with the Director of the



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National Science Foundation. Such grants cannot cover more than 50 percent of the costs of any assisted activity (absent a waiver). The HHS Secretary may require an annual report. An annual review by the National Coordinator for HIT is required.

D. National Institute of Standards and Technology

Research and Development Programs
[A.XIII]

- The ARRA requires the National Institute of Standards and Technology (NIST), in consultation with the National Science Foundation (NSF) and other federal agencies, to award competitive grants to universities or research consortia for establishing multidisciplinary Centers for Health Care Information Enterprise Integration. The Centers are to generate innovative approaches to the development of a fully interoperable national health care infrastructure, as well as develop and use HIT.
- Grants are to be awarded on a "merit-reviewed, competitive basis." The NIST Director will establish rules governing submission of applications, which must, at minimum, describe the proposed Center's research projects, how the Center will promote interdisciplinary collaboration, technology transfer activities to diffuse research results, and how the Center will contribute to education and training.

E. Other Health Care Provisions

Prevention and Wellness Fund Grants - \$1 billion
[A.VIII]

- The ARRA provides \$50 million to the Department of Health and Human Services to award grants to the states for infectious disease reduction strategies.
- Furthermore, the ARRA provides \$650 million to the Centers for Disease Control (CDC) to develop "community-based" prevention and wellness strategies to address chronic disease rates, that may benefit state and local governments.
- The ARRA provides \$300 million to the CDC to administer an immunization program in partnership with health care providers in the public and private sectors, including state and local health departments and clinics. See Public Health Service Act, § 317, 42 U.S.C. § 247(b).

National Center for Research Resources - \$1 billion
[A.VIII]

- See Technology and Science.

Construction of State Extended Care Facilities - \$150 million
[A.X]

- See National Guard and Veterans.

Rural Community Facilities Program - \$130 million
[A.I]

- See Law Enforcement and Community Services.



7. HOUSING

Public Housing Capital Fund - \$4 billion
[A.XII]

- The ARRA provides additional funding for public housing agencies to carry out capital and management activities including rehabilitation and retrofitting of public housing to increase energy efficiency and safety. The funding is authorized by section 9 of the United States Housing Act of 1936. See 42 U.S.C. § 1437g, 24 C.F.R. Part 905 and 990.
- **\$1 billion** is for competitive grants for priority investments including those that leverage private funding or finance energy conservation renovations or retrofits. These funds will be allocated no later than September 30, 2009.
- **\$3 billion** is to be allocated automatically, within 30 days of the date of enactment (by March 19, 2009), under the formula used in FY 2008, except that funds will be withheld from public housing agencies that are designated as troubled or that do not want the funding.
- Funding may not be used for operating or rental assistance activities or to replace existing sources of funding. Public housing agencies are required to prioritize projects that are already underway, that can award contracts within 120 days of when funds are made available, or that are included in the 5-year capital fund plans required by 42 U.S.C. § 1437c-1(a). Priority should also be given to rehabilitation of vacant rental units.
- Public housing agencies must: (1) obligate all funds within one year of receipt; (2) spend at least 60 percent of funds within two years of receipt; and (3) spend all funds within three years of receipt. If these timelines are not met, the Secretary of Housing and Urban Development (HUD Secretary) may recapture and reallocate remaining funds.

HOME Investment Partnerships Program - \$2.25 billion
[A.XII]

- The ARRA provides additional HOME funds for state housing credit agencies to provide gap financing grants in coordination with the Low Income Housing Tax Credit to catalyze stalled housing development. Funds will be automatically distributed to the states based upon FY 2008 HOME funds apportionment.
- State agencies must grant the funds competitively to recipients of low income housing tax credits pursuant to their qualified allocation plans and must give priority to projects that are expected to be completed within three years. Projects awarded low income housing tax credits under section 42(h) of the federal tax code in FY 2007, 2008 or 2009 are eligible for this funding. See 26 U.S.C. § 42(h).
- State agencies must commit at least 75 percent of the funds within one year of the date of enactment (by February 17, 2010) and must demonstrate that project owners spend 75 percent of the funds within two years of the date of enactment (by February 17, 2011) and the rest within three years (by February 17, 2012). State agencies must provide the HUD Secretary access to information about funded grants. HUD will list all funded projects on a Web site.

Assisted Housing Stability and Energy and Green Retrofit Investments - \$2.25 billion
[A.XII]

- The ARRA provides \$2.25 billion in funds for public housing agencies (and others) insofar as they are "owners" of properties receiving project-based assistance under the Supportive Housing for the Elderly program (12 U.S.C. § 1701q; 24 C.F.R. Part 891), the Supporting Housing for Persons with Disabilities program (42 U.S.C. § 8013; 24 C.F.R. Part 891), and

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the Section 8 Low Income Housing Assistance program (42 U.S.C. § 1437f). *See, e.g.*, 42 U.S.C. § 1437f(1) (defining "owner" to include public housing agencies).

- The ARRA provides **\$2 billion** as additional funds for Project Based Rental Assistance (Public Law 110-161) for payments to owners for 12-month periods and **\$250 million** for grants and loans for energy retrofitting and green investments in assisted housing. The funding will be governed by the existing policies, contracts, and infrastructure of the programs within HUD's Office of Affordable Housing Preservation. The HUD Secretary may establish additional terms and conditions as necessary, and the Secretary is authorized to provide incentives to owners to undertake energy and green retrofitting investments.
- The owner must have at least a satisfactory management review rating and be in substantial compliance with applicable requirements. Owners must commit to make housing affordable for at least 15 years, and for additional periods as determined by the HUD Secretary. Grants or loans must include a financial and physical assessment of the property. Owners will be required to spend funds within two years of receipt.

Neighborhood Stabilization Program - \$2 billion
[A.XII]

- The ARRA provides additional funds for competitive grants, available to state and local governments as well as non-profits, to purchase abandoned and foreclosed property for use as affordable housing, as authorized by title III of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, as amended. *See* 42 U.S.C. §§ 5301, *et seq.*
- The HUD Secretary will establish criteria for grant competition within 75 days after the date of enactment (by May 3, 2009). Applications are due to HUD within 150 days after the date of enactment (by July 17, 2009). Applicants will have to demonstrate capacity, ability to leverage investment, and ability to achieve neighborhood stabilization. Grants must be given to areas with the highest foreclosure numbers and rates and where the funding can be used within the established timeline.
- Grantees must spend half of the funds within two years of receipt and must spend the entire amount of funds within three years of receipt. Grantees cannot discriminate against "Section 8" participants. Use of funds is further governed by HERA.⁸

Homelessness Prevention Fund - \$1.5 billion
[A.XII]

- The ARRA provides funding to states and local governments for short- and medium-term rental assistance, relocation and stabilization services for homelessness prevention, and "rapid re-housing." The HUD Secretary will establish the requirements for this program within 30 days of the date of enactment (by March 19, 2009) and distribute funds according to a pre-existing formula.
- Grantees must spend at least 60 percent of the funds within two years of receipt and must spend all funds within three years; otherwise, the Secretary may recapture and redistribute the funds. Grantees must collect, and submit to HUD, data on the use of the funds.

⁸ The ARRA repealed section 2301(d)(4) of the HERA, which limited reinvestment of profits, and amended section 2301(c)(3)(C), which establishes eligible uses.



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Community Development Block Grant Program - \$1 billion
[A.XII]

- The ARRA provides additional funding for the Community Development Block Grant program (42 U.S.C. §§ 5301 *et seq.*). Funds will be automatically distributed to grantees who received funding in FY 2008 pursuant to 42 U.S.C. § 5306.
- The HUD Secretary will establish criteria to expedite the use of funds, and recipients of the funding should give priority to projects that can award contracts within 120 days of when funds are made available. HUD may waive certain requirements to expedite the use of funds.

Native American Housing Block Grants - \$510 million
[A.XII]

- See Tribal Governments.

Lead Hazard Reduction Program - \$100 million
[A.XII]

- The ARRA provides additional funding for the Lead Hazard Reduction Program for competitive grants to local governments and non-profits for lead-based paint removal. In previous years, the criteria and application process for this program were established through HUD's Notice of Funding Availability for HUD's Discretionary Programs (SuperNOFA). Information about previous grant cycles and SuperNOFAs is available on HUD's Web site.
- Priority will be given to applicants who applied in FY 2008, but were not awarded grants because of funding limitations. Remaining funds will be added to the FY 2009 program. Each applicant must submit a detailed plan that demonstrates its capacity to carry out the proposed use of funds.
- Recipients must spend half of the funds within two years of receipt and all funds within three years; otherwise, the HUD Secretary may recapture and redistribute the funds.

Election to substitute grants to states for low-income housing projects in lieu of low-income housing credit
[B. I]

- The ARRA provides an option for state housing credit agencies to elect to receive an amount for distribution of grants in lieu of the states' low-income housing tax credit allocation. Grants under this provision must be used to finance the construction or acquisition and rehabilitation of qualified, low-income buildings as defined in 26 U.S.C. § 42.
- States may make awards to finance a qualified low-income building regardless of whether the building has an allocation of low-income housing credit. However, in such a case, the state housing credit agency must determine that such an award will increase the total funds available to the state to build and rehabilitate affordable housing. In order to make such a determination, the state must establish a process by which applicants for awards demonstrate good faith efforts to obtain investment commitments before the state housing credit agency makes awards.
- Any grant recipient must satisfy low income housing credit rules. State housing credit agencies must perform asset management functions to ensure compliance with the low-income housing credit rules and the long-term viability of buildings financed with these awards. States may collect reasonable fees from award recipients to cover the expense of the agency's asset management duties. The state may alternatively retain a third party to perform these asset management duties.

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- States must use the funds before January 1, 2011. Any funds unused during this period must be returned to the Treasury Department.

8. LAW ENFORCEMENT AND COMMUNITY SERVICES

A. Law Enforcement

Edward Byrne Memorial Justice Assistance Grants - \$2.225 billion
[A.II]

- The Edward Byrne Memorial Justice Assistance Grant program allocates money to states and local law enforcement agencies to help prevent, fight, and prosecute crime. 42 U.S.C. §§ 3750 *et seq.* The ARRA provides additional funds to support state and local law enforcement under this program.
- Of the total additional funds, the Department of Justice will provide **\$2 billion** by statutory formula to states and local law enforcement agencies to help prevent, fight, and prosecute crime. Additionally, the Department of Justice will provide **\$225 million** in competitive, peer-reviewed grants, available to units of state, local, and tribal governments for law enforcement assistance to improve the administration of justice, provide services to victims of crime, support critical nurturing and mentoring of at-risk children and youth, and support other similar activities.

Community Oriented Policing Services - \$1 billion
[A.II]

- The ARRA provides additional funds for the Department of Justice to distribute to states for hiring and rehiring additional career law enforcement officers, pursuant to the existing Community Oriented Policing Services (COPS) program. See Omnibus Crime Control and Safe Streets Act of 1968, Title I, § 1701; 42 U.S.C. § 3796dd. Funding under this grant program will remain available until September 30, 2010.
- The ARRA waives the \$75,000 per officer cap and 25 percent local match requirement for all funds for COPS for FY 2009 and FY 2010. See 42 U.S.C. §§ 3796dd-3(c), 3796dd(g).

Preventing Violence Against Women - \$225 million
[A.II]

- The ARRA provides additional funding for grants to state, local and tribal governments and courts (including juvenile courts) for use in combating violence against women. These funds are to be used to provide personnel, training, technical assistance, data collection, and equipment for the apprehension, prosecution, and adjudication of persons committing violent crimes against women. The federal share of qualifying projects cannot exceed 75 percent of the cost.
- Out of the total amount, **\$50 million** is allocated to transitional housing assistance grants for victims of domestic violence, stalking, or sexual assault, under section 40299 of the Violent Crime Control and Law Enforcement Act of 1994. See 42 U.S.C. § 10419. The remaining funds will be available by application in amounts determined by statutory formula as authorized by part T of the Omnibus Crime Control and Safe Streets Act of 1969, 42 U.S.C. §§ 3796gg *et seq.*
- Grantees must submit performance reports to the U.S. Attorney General.



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Tribal Law Enforcement Assistance - \$225 million
[A.II]

- The ARRA provides additional funding for discretionary grants to American Indian and Alaska Native tribes upon application indicating a need for law enforcement assistance. Funds are to be distributed based upon the guidelines set forth by the Correctional Facilities on Tribal Lands program. See 42 U.S.C. §§ 13701 *et seq.*; 28 C.F.R. Part 91. In the past, grants under this program could not exceed 90 percent of the total project cost.
- The grant approval process must consider the detention bed space needs of the applicant tribe and its violent crime statistics.

Rural Law Enforcement Assistance - \$125 million
[A.II]

- The ARRA provides additional funds for assistance to law enforcement in rural states and rural areas to prevent and combat crime in rural America. These funds are distributed to states under the formula set forth in 42 U.S.C. § 3796bb. Money can be used to hire police officers and for community drug prevention and treatment programs. 42 U.S.C. § 3796bb.

Victim's Compensation - \$100 million
[A.II]

- The ARRA provides additional funds to be distributed by the Department of Justice by statutory formula, under 42 U.S.C. § 10601(d)(4), to support state compensation and assistance programs for victims and survivors of domestic violence, sexual assault, child abuse, drunk driving, homicide, and other federal and state crimes.

Internet Crimes Against Children Task Force - \$50 million
[A.II]

- The ARRA provides additional funds for the Department of Justice to distribute money under the Internet Crimes Against Children Task Force Program to states and local law enforcement agencies to enhance investigative responses to offenders who use the Internet to sexually exploit children. In the past, qualifying public agencies, such as state agencies, units of local and tribal government, and public universities, were required to file applications demonstrating eligibility under the guidelines provided in a solicitation.

Southwest Border Assistance - \$40 million
[A.II]

- The ARRA provides additional funds for the Department of Justice to award as competitive grants to fund programs that provide assistance and equipment to local law enforcement along the Southern border or in High-Intensity Drug Trafficking Areas.
- **\$10 million** of these funds will be transferred to the Federal Bureau of Alcohol, Tobacco, Firearms, and Explosives for distribution under Project Gunrunner, a cooperative effort among federal, state, and Mexican law enforcement officials to eliminate firearm trafficking along the United States-Mexico border.

B. Other Community Services

Rural Community Programs - \$1.51 billion
[A.I]

- The ARRA provides the following additional funding:

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- **\$1.38 billion**, under the Rural Water and Waste Disposal Program, for loans and grants to regional, local, non-profit, and tribal organizations for the development of water and waste disposal systems in rural areas and towns with a population below 10,000.
- **\$130 million**, under the Rural Community Facilities Program, for loans and grants to regional, state, local, and tribal organizations for the construction or maintenance of rural community facilities, including hospitals, health clinics, and child and elder care facilities.
- **\$150 million**, under the Rural Business Program, for loans and grants to regional, state, local, and tribal organizations for improving business, industry, and employment opportunities in economically-distressed rural communities.
- The Department of Agriculture administers these programs. Of the pool of funds appropriated in the ARRA to these, and certain other rural programs, 10 percent must be designated for "persistent poverty counties" (defined as those counties in which 20 percent of the population have lived below the federal poverty level for the past 30 years).

National Endowment for the Arts - \$50 million
[A.VII]

- The ARRA provides the NEA an additional \$50 million to distribute in grants for arts projects which preserve jobs in the arts sector otherwise threatened by declines in philanthropic support during the economic downturn.
- The NEA will distribute 40 percent of these funds to state and regional arts agencies to fund arts projects. The National Council on the Arts will distribute the remaining 60 percent to deserving arts projects; state and regional arts agencies will potentially be eligible to receive these funds as well.
- The ARRA also waives the matching requirements for use of these funds under § 5(e) of the National Foundation on the Arts and Humanities Act (20 U.S.C. § 954) for these additional funds.

Historic Preservation Fund - \$15 million
[A.VII]

- The ARRA provides the Department of the Interior, National Park Service with an additional \$15 million in grants for historic preservation projects at historically black colleges and universities (HBCUs). HBCUs are defined in the Historic Preservation Fund Act and the Omnibus Parks and Public Lands Act. See 16 U.S.C. § 470a. Many HBCUs are publicly-funded; states with public HBCUs are eligible to receive these grants.
- The ARRA also waives any matching requirements for these additional funds found in the Historic Preservation Fund Act and the Omnibus Parks and Public Lands Act.

9. **MILITARY**

A. **Coast Guard**

Funding for Bridge Alteration - \$142 million
[A.VI]

- The ARRA provides the Coast Guard with an additional \$142 million for the reconstruction or removal of railroad or highway bridges under § 6 of the Truman-Hobbs Act (33 U.S.C. § 516).

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- Any bridge owner, including any state, county, or local government, can apply for use of these funds. The Coast Guard will give priority to projects ready to begin construction immediately.

B. National Guard

Military Construction, Army National Guard - \$50 million
[A.X]

- The ARRA provides additional funding to the Army National Guard for planning, design and military construction projects in the U.S. that are not otherwise authorized. The Secretary of Defense, in consultation with the Director of the Army National Guard, is directed to submit a funding plan to Congress within 30 days of the date of enactment (by March 19, 2009).

Military Construction, Air National Guard - \$50 million
[A.X]

- The ARRA provides funding to the Air National Guard for planning, design and military construction projects in the U.S. that are not otherwise authorized. The Secretary of Defense, in consultation with the Director of the Air National Guard, is directed to submit a funding plan to Congress within 30 days of the date of enactment (by March 19, 2009).

C. Veteran Services

Construction of State Extended Care Facilities - \$150 million
[A.X]

- The ARRA provides additional funding for grants to assist states in the acquisition and construction of extended care facilities as well as the remodeling, altering or modifying existing facilities for furnishing care to veterans. States should submit applications in accordance with 38 U.S.C. § 8135 and 38 C.F.R. §§ 59.20, 59.60.

10. NUTRITION

Supplemental Nutrition Assistance Program (SNAP) – approximately \$20 billion
(formerly known as the Food Stamp program)
[A.I]

- The ARRA provides additional SNAP funds to be distributed to state agencies by the Department of Agriculture, Food and Nutrition Service, under the Food and Nutrition Act (7 U.S.C. 2036(a)), which provides funding to state agencies.
- Individuals are entitled to SNAP benefits based on their income and asset levels. Beginning in April 2009, individuals receiving the maximum benefit will receive a 13 percent increase in their benefit levels, which translates to an approximately \$19 billion increase in the monies flowing through state agencies. This increase ends after September 30, 2009. However, after that date, the Secretary of Agriculture may not reduce the minimum or maximum benefit levels (or the block grants for Puerto Rico and American Samoa) below the level in effect for FY 2009. The ARRA also suspends from April 2009 to October 2010 the three-month program time limit faced by many unemployed, childless adults.
- Of the additional SNAP funds, the ARRA provides **\$295 million** to the states for the administrative expenses of the program (\$145 million for 2009; \$150 million for 2010), and **\$5 million** for administrative expenses for programs on Native American reservations.



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Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) - \$500 million
[A.I]

- The ARRA provides additional funds for this existing program, administered by the Department of Agriculture, Food and Nutrition Service, under the Child Nutrition Act of 1966 (42 U.S.C. § 1786).
- **\$400 million** will be placed in the Secretary of Agriculture's reserve fund, to be distributed to the states as the Secretary deems necessary, notwithstanding the usual procedure for distribution of funds found in § 17(i) of the Child Nutrition Act.
- **\$100 million** will be granted to the states to improve information management systems, pursuant to § 17(h)(10)(B)(ii) of the Child Nutrition Act.

Emergency Food Assistance Program - \$150 million
[A.I]

- The ARRA provides in-kind support valued at \$150 million to be distributed to the states according to the number of individuals in each state with incomes below the federal poverty level. Allocations come in the form of food commodities, not dollars, which are then distributed to local and non-profit direct-service agencies (e.g. food banks, soup kitchens).
- This program is administered by the Department of Agriculture, Food and Nutrition Service, under the Food and Nutrition Act (7 U.S.C. § 2036(a)) and the Emergency Food Assistance Act (7 U.S.C. § 7508(a)(1)).

National School Lunch Program - \$100 million
[A.I]

- The ARRA provides additional funds for improvements in program equipment distributed to the states, in proportion to each state's administrative expense allocation. States must then distribute these funds via competitive grants to local school food authorities, with priority given to those schools in which at least 50 percent of students are eligible for free or reduced lunch.
- This program is administered by the Department of Agriculture, under the Richard B. Russell National School Lunch Act (42 U.S.C. § 175) and the Child Nutrition Act of 1966 (42 U.S.C. § 1771).

Senior Meals Programs - \$100 million
[A.VIII]

- The ARRA provides additional funding for grants to state and local governments, with the following designations: \$65 million for Congregate Nutrition Services; \$32 million for Home-Delivered Nutrition Services; \$3 million for Native American Nutrition Services.

11. **TECHNOLOGY AND SCIENCE**

Broadband Technology Opportunities Program - \$4.7 billion
[A.II; B.VI]

- The ARRA provides at least \$4.35 billion in funding for the National Telecommunications and Information Administration (NTIA) of the Department of Commerce to distribute under the Broadband Technology Opportunities Program (BTOP) for broadband deployment efforts. 47 U.S.C. §§ 1301 *et seq.* State, local, and tribal governments are eligible for funding, as are certain private organizations.



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- Funding can be awarded for a wide range of projects, including acquisition of equipment, training, and support for schools, libraries, health care providers, community colleges and other community institutions; construction of broadband infrastructure; ensuring access for vulnerable populations.
- Of the \$4.35 billion, at least \$200 million is available for competitive grants to expand public computer center capacity, including at community colleges and public libraries. At least \$250 million is available for competitive grants for innovative programs to encourage sustainable adoption of broadband service.
- The Assistant Secretary of Commerce for Communications and Information must establish and implement the program "expeditiously" in consultation with the Federal Communications Commission. Applicants must provide assurances that funded projects will be completed within two years of receipt of funds. Applicants must provide at least 20 percent matching funds (absent a need-based waiver). All awards must be made before the end of FY 2010. The NTIA will award at least one grant in each state.
- In making awards, the NTIA will look for applications that provide the greatest affordability and speed of broadband service to the greatest population; and those that target broadband service for children, education, and health care delivery. Grantees will be subject to quarterly reporting requirements.
- The NTIA also will distribute up to \$350 million under the BTOP to establish the State Broadband Data and Development Grant program, and develop and maintain a national broadband inventory map. 47 U.S.C. § 1301 note.

Distance Learning, Telemedicine, and Broadband Program - \$2.5 billion

[A.I]

- The ARRA provides additional funds for broadband infrastructure, available to local governments, utility districts, irrigation districts, and others. This will provide grants, loans and loan guarantees, as administered by the Department of Agriculture under the Rural Electrification Act. See 7 U.S.C. §§ 901 *et seq.*, and 918c.
- Any local government can apply for a grant or loan, provided 75 percent of the area to be served by the loan or grant is rural and without sufficient access to broadband service (as determined by the Secretary of Agriculture).
- The Secretary of Agriculture will give priority to applications: (1) from current or former borrowers under the Rural Electrification Act; that (2) deliver consumers a choice of more than one service provider; (3) provide service to the highest proportion of rural residents lacking broadband service; (4) demonstrate that if the application is approved, all project elements will be fully funded; (5) can be completed if the requested funds are provided; and (6) can commence promptly upon approval.
- However, project areas funded under this program may not simultaneously receive funding for broadband access under the BTOP program described above.

National Science Foundation Research and Related Activities - \$2.5 billion

[A.II]

- The ARRA provides \$2.5 billion in funding for "research and related activities" to the National Science Foundation (NSF). Funds will only be available until September 30, 2010. The NSF appears to have significant discretion in channeling the expenditure of these funds, but several programs are specifically designated to receive funding:
 - **\$400 million** for the Major Research Equipment and Facilities Construction program, which makes funding available to colleges and universities through competitive grants

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for the acquisition of research equipment, such as telescopes, observatories, and advanced computing systems.

- **\$300 million** for the Major Research Instrumentation program, which makes funding available to state colleges, universities, and research museums for acquisition or development of major research instrumentation. Under previous solicitations, applications for funding to acquire general purpose computer networks were returned without further review, but proposals for computer networks required to perform specific research tasks were eligible. Previous grantees were subject to reporting requirements.
- **\$200 million** for available for academic facilities modernization under the Academic Research Infrastructure Facilities Modernization Program. Under previous solicitations, funds were made available to colleges and universities to renovate and modernize existing facilities. This program does not fund new construction projects.

National Center for Research Resources - \$1 billion
[A.VIII]

- The National Center for Research Resources (NCRR), administered under the Department of Health and Human Services, National Institutes of Health, provides resources for medical and scientific research throughout the United States.
- The ARRA provides an additional \$1 billion to the NCRR for the construction, renovation, and repair of non-federal research facilities. In addition, § 481A of the Public Health Service Act (42 U.S.C. § 287a-1) allows state and local entities to compete for contracts for construction and renovation of these facilities.
- The ARRA allows the NCRR to use up to \$300 million of these funds to provide research equipment to recipients of NCRR grants.
- Furthermore, the ARRA also: (1) waives the cost-sharing and cost-limiting provisions of the Public Health Service Act for the additional \$1 billion in funds; (2) reduces the time period (from 20 years to 10 years) for which recipients of grants must assure the NCRR that the facility will be used for its original purpose; and (3) limits the federal government's ability to recapture the funds if the facility is not used for its original purpose. See Public Health Service Act §§ 481A(c)(1)(B)(ii), 481A(e), 481B, 481A(c)(1)(B)(i), 481A(f); 42 U.S.C. §§ 287a-2, 287a-3.

Health Information Technology

- See Health Care.

National Institute of Standards and Technology Research Facilities - \$360 million
[A.II]

- The National Institute of Standards and Technology (NIST) in the Department of Commerce will distribute \$360 million to finance the maintenance, renovation, and new construction of research facilities. Of this sum, **\$180 million** will fund a competitive construction grant program for research science buildings. This funding has previously been used for projects, such as laboratories, test facilities, measurement facilities, and observatories, at public and state-controlled colleges and universities.

Weatherization and Energy Efficient Technology

- See Energy.



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12. TRANSPORTATION

General Provision for ARRA Funding Distributed by the Department of Transportation [A.XII]

- For each state or state agency that receives transportation funds under the ARRA, the governor of that state must 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." The state must report the amount of state funds it plans to expend from the date of enactment through September 30, 2010. The certification is due within 30 days of the date of enactment (by March 19, 2009).
- Grant recipients are subject to periodic reporting requirements to the relevant offices within the Department of Transportation, due 90 days (by May 18, 2009), 180 days (by August 16, 2009), one year (by February 17, 2010), two years (by February 17, 2011) and three years (by February 17, 2012) after the date of enactment.

Highway Infrastructure Investment - \$27.5 billion [A.XII]

- The ARRA provides an additional \$27.5 billion in funding for restoration, repair, construction, rail transportation and port infrastructure projects eligible under 23 U.S.C. §§ 601(a)(8), 133(b).
- The Secretary of Transportation will distribute **\$60 million** to states as competitive grants for capital expenditures related to ferry boats and ferry boat terminals. See 23 U.S.C. § 147. Priority for these competitive grants will be given to projects that can be completed in less than two years. Additional set-asides include **\$310 million** for the Indian Reservation Roads Program; **\$105 million** for Puerto Rico and **\$45 million** for the Territories.
- After the required set-asides, the remainder will be apportioned to the states by statutory formula. See 23 U.S.C. § 104(b)(3); Public Law 110-161, div. K, § 120(a)(6). The Secretary of Transportation will automatically distribute the funds within 21 days after the date of enactment (by March 10, 2009). The ARRA also requires sub-allocation of funds apportioned to each state including a 3 percent set-aside for Transportation Enhancements Activities (23 U.S.C. § 133(d)(2)) and 30 percent of funds must be divided between urbanized and other areas pursuant to 23 U.S.C. § 133(d)(3)(A), (B), and (D).
- The Secretary of Transportation will redistribute 50 percent of all unobligated funds 120 days after apportionment and any remaining unobligated funds after one year. However, the state can request an extension of the second deadline. Priority should be given to projects that will be completed within three years and are located in economically distressed areas.

Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service - \$8 billion [A.XII]

- The ARRA provides additional funding for grants to the states under the High Speed Passenger Rail Corridor program and the Intercity Passenger Rail Service program. See 49 U.S.C. §§ 26101, 24401(2)(A), (B). Priority will be given to projects for intercity high speed rail service. The ARRA waives state and local cost-sharing requirements for these additional funds.
- The Secretary of Transportation will decide how to allocate the funding between the two programs within 60 days of the date of enactment (by April 18, 2009). The Secretary will provide guidance for applicants on grant terms, conditions, and procedures within 120 days of the date of enactment (by June 17, 2009).

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Transit Capital Assistance - \$6.9 billion
[A.XII]

- The ARRA provides additional funding for transit capital assistance authorized under 49 U.S.C. § 5302(a)(1). The Secretary of Transportation will automatically distribute funds within 21 days after the date of enactment (by March 10, 2009), pursuant to statutory formulae, with 80 percent of grants going to urbanized areas, 10 percent going to rural areas (with 2.5 percent thereof for tribes), and 10 percent going to growing and high density states. See 49 U.S.C. §§ 5307, 5311, 5311(c)(1) & 5340.
- Of the funds provided under this section, the ARRA sets aside **\$100 million** for discretionary grants to public transit agencies for capital investments designed to reduce energy consumption and greenhouse gas emissions. The Secretary will prioritize grant awards based upon projected total energy savings.
- The ARRA waives state and local cost-sharing requirements for these additional funds and specifies that funds may not be commingled with prior year funds. The Secretary of Transportation will recapture and redistribute 50 percent of all unobligated funds 180 days after apportionment and any remaining unobligated funds after one year. However, a state receiving funds may request an extension of the second deadline.

Supplemental Discretionary Grants for a National Surface Transportation System - \$1.5 billion
[A.XII]

- The ARRA provides for competitive grants to states, local governments and transit agencies for projects involving all modes of surface transportation that have a "significant impact" on the nation, a metropolitan area, or a region. Eligible activities include, for example, projects relating to highways, bridges, public transportation, passenger and freight rail transportation, and port infrastructure investments.
- The Secretary of Transportation will award individual grants of at least \$20 million, up to a maximum of \$300 million. The Secretary of Transportation may waive the minimum grant requirement in order to fund "significant" projects in small cities, regions, or states. Grants must be geographically diverse and should balance rural and urban needs. The ARRA waives state and local cost-sharing requirements for these additional funds.
- The Secretary of Transportation is required to publish selection criteria for the grant competition within 90 days of the date of enactment (by May 18, 2009); applications for grants must be submitted within 180 days of the Secretary's publication of the selection criteria; and the Secretary must announce awards within one year of the date of enactment (by February 17, 2010). The Secretary of Transportation will give priority to projects that depend on federal funds to complete a financing package, and to projects expected to be completed within three years of the date of enactment (by February 17, 2012).

Grants-in-Aid to Airports - \$1.1 billion
[A.XII]

- The ARRA provides for additional discretionary grants to airports to improve critical infrastructure, airport improvement and noise abatement, and runway safety systems. Information on existing airport improvement grant programs can be found at 49 U.S.C. § 7105 and information on noise compatibility planning grants can be found at 49 U.S.C. § 47505. The Secretary of Transportation will give priority to projects that will be completed within two years of the date of enactment (by February 17, 2011), and that supplement rather than replace planned expenditures from other sources. The ARRA waives state and local cost-sharing requirements for these additional funds.



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- The Secretary of Transportation must grant half of the funds within 120 days of the date of enactment (by June 17, 2009), and the rest within a year of the date of enactment (by February 17, 2010).

Fixed Guideway Infrastructure Investment - \$750 million
[A.XII]

- The ARRA provides an additional \$750 million in funding for capital projects to modernize fixed guideway systems, transit systems under 49 U.S.C. § 5309(b)(2) and 49 C.F.R., Part 611. Fixed guideway systems are transit systems using controlled rights-of-way or rails. The ARRA waives state and local cost-sharing requirements for these additional funds and requires that they may not be commingled with prior year funds.
- The Secretary of Transportation will automatically distribute funds within 21 days after the date of enactment (by March 10, 2009), under a pre-existing formula. The Secretary will take away and redistribute 50 percent of all unobligated funds 180 days after apportionment and any remaining unobligated funds one year after apportionment. However, an urbanized area can request an extension of the second deadline.

Capital Investment Grants - \$750 million
[A.XII]

- The ARRA provides an additional \$750 million for discretionary grants for transit capital investment under the New Starts and Small Starts provisions. State and local government authorities should apply according to 49 U.S.C. § 5309 and 49 C.F.R. Part 611. Priority will be given to projects currently under construction or that are able to obligate funds within 150 days of the date of enactment (by July 17, 2009). Additional funds awarded under this section may not be commingled with prior year funds.

Supplemental Funding for Facilities and Equipment - \$200 million
[A.XII]

- The ARRA provides an additional \$200 million in funding for Federal Aviation Administration (FAA) infrastructure to improve power systems, air route traffic control centers, air traffic control towers, terminal radar approach control facilities, and navigation and landing equipment. Funding may be in the form of grants, contracts, leases, cooperative agreements, or other transactions with airports. See 49 U.S.C. § 106(l)(6). The ARRA waives state and local cost-sharing requirements for these additional funds.
- The FAA Administrator must establish a process for the grant program within 60 days of the date of enactment (by April 18, 2009). The FAA Administrator will give priority to projects that will be completed within two years of the date of enactment (by February 17, 2011).

Public Transportation and Railroad Security Assistance - \$150 million
[A.VI]

- See Emergency Management.

Port Security Grants - \$150 million
[A.VI]

- See Emergency Management.

Funding for Bridge Alteration: Coast Guard - \$142 million
[A.VI]

- See Military.

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Supplemental Grants for Assistance to Small Shipyards - \$100 million
[A.XII]

- The ARRA provides an additional \$100 million in funding for grants to small shipyards under the Assistance to Small Shipyards Grant Program authorized by 46 U.S.C. § 54101. Guidance from the 2008 application process for the Assistance to Small Shipyards program specified that small shipyards can either apply directly for the grants or have state or local governments apply on their behalf. See Assistance to Small Shipyards Grant Program, 73 Fed. Reg. 1912 (Jan. 10, 2008). The Secretary of Transportation must ensure that the funds are obligated within 180 days of their distribution.

13. TRIBAL GOVERNMENTS

Native American Housing Block Grants - \$510 million
[A.XII]

- The ARRA provides additional funding to Native American housing authorities to rehabilitate and improve energy efficiency in public housing.
- The Department of Housing and Urban Development (HUD) will distribute half of the funds by competitive grants to eligible entities—Indian tribes or certain tribally designated housing entities (TDHEs)—that apply under the Native American Housing Assistance and Self-Determination Act of 1996. See 25 U.S.C. §§ 4111 *et seq.*; 24 C.F.R. Part 1000. These funds will be allocated no later than September 30, 2009. HUD will give priority to projects that spur construction and rehabilitation and create job opportunities for low-income and unemployed citizens.
- HUD will allocate the other half of the funds automatically, within 30 days of the date of enactment (by March 19, 2009), according to the formula used in FY 2008. These funds are to be used for the construction, acquisition, and rehabilitation (including energy efficiency and conservation) of Native American housing and for infrastructure development. Priority should be given to projects where contracts can be awarded within 180 days from when funds are made available to recipients.
- Recipients must obligate all funds within one year of receipt. Recipients must spend half of the funds within two years of receipt and all funds within three years. Otherwise, the HUD Secretary may recapture and reallocate the funds.

Indian Construction Projects - \$450 million
[A.VII]

- The ARRA allocates \$450 million to the Department of the Interior, Bureau of Indian Affairs, for repair and restoration of roads, replacement school construction, school improvements and repairs, and detention center maintenance and repairs on Indian lands.

Tribal Transportation Funding

- See "Transit Capital Assistance" and "Transportation Highway Infrastructure Investment" set-asides in [Transportation](#).

Indian Health Facilities - \$415 million
[A.VII]

- The ARRA provides funds, to be distributed by the Indian Health Service for grants to tribal organizations for construction, maintenance, and improvement projects on Indian health facilities as well as the purchase of equipment for such facilities. Of the total additional funds, \$227 million is designated for two construction projects which have



already begun. The ARRA waives spending caps that would otherwise apply to annual appropriations for Indian health facility projects.

Indian Health Services - \$85 million
[A.VII]

- The ARRA provides funds, administered by the Department of Health and Human Services, Indian Health Service, which may be used for tribal services, including telehealth services development and related infrastructure projects despite the fact that such development is typically funded through the Indian Health Facilities account. The Indian Health Service Director has discretion to allocate funds for health information technology.

Indian Workforce Training and Housing Improvement - \$40 million
[A.VII]

- The ARRA package allocates \$40 million for workforce training programs and housing improvement projects for tribal organizations, to be administered by the Bureau of Indian Affairs. The ARRA allocates \$40 million for these workforce training and housing improvement projects.

Indian Guaranteed Loan Program - \$10 million
[A.VIII]

- The ARRA provides an additional \$10 million in business-loan guarantees for Indians. The Department of the Interior, Bureau of Indian Affairs, guarantees loans obtained by individual Indians or tribes to stimulate Indian-owned businesses.

14. GENERAL PROVISIONS

Government Accountability Office Reviews, Reports, and Access
[A.IX]

- The Government Accountability Office must review and report on the use of funds under the ARRA by selected states and localities on a bimonthly basis. These reports will be published on a Web site established by the Recovery Accountability and Transparency Board (RATB). The Comptroller General is authorized to examine records related to the obligation and use of funds by state and local agencies and to interview employees.

Accountability and Transparency
[A.XV]

- Before a state or local agency can receive infrastructure investment funding under the ARRA, the governor, mayor, or chief executive overseeing use of the funds must certify that any money used for infrastructure investments is spent appropriately. The certification must include a description of the investment, the total estimated cost of the project, and the amount of funds to be used. The state or local agency also must post the certification on the Web site of the RATB before receiving funds.
- Recipients of funds under the ARRA are subject to quarterly reporting requirements and oversight by federal agency inspectors. Federal agencies may adjust the limits on administrative expenditures for grants under the ARRA to help state and local government recipients of funds defray the costs of complying with reporting requirements.
- The ARRA establishes the RATB and the Recovery Independent Advisory Panels. Also, the ARRA provides whistleblower protection for state and local—but not federal—employees who report fraud, waste, or corruption affecting funds.



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Other General Provisions
[A.XVI]

Several general provisions apply to funding allocations throughout the ARRA:

- Within 45 days after the date of enactment (by April 3, 2009), state governors must certify that their states will request and use funds and that these activities will create jobs and economic growth. If a governor does not accept funds provided to a state, the state legislature, by concurrent resolution, may accept the funds for state use. Funds accepted by legislation can be distributed either by formula or at the state's discretion.
- Quick-start projects are given priority, especially those that use 50 percent of the funds within 120 days after the date of enactment (by June, 17, 2009). Funds are available until September 30, 2010, unless otherwise specified. Funds cannot be used by any state or local government for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.
- All projects must use American iron, steel, and manufactured goods, unless (1) there are insufficient quantities available, (2) such use harms the public interest, or (3) such use would increase the total cost of the project by more than 25 percent. A waiver is granted by the head of the federal agency or department distributing the funds used for the particular project. States and local governments cannot waive the requirement unilaterally. If the agency waives the provision, the agency head must publish a detailed written explanation of this decision in the Federal Register. The ARRA states that this section shall be applied in a manner consistent with United States obligation under international trade agreements. Projects must also abide by Davis-Bacon wage rates. See 40 U.S.C. § 3141-42.

General Provision for Title VII
[A.VII]

- Agencies allocated funds under Title VII can transfer up to 10 percent of their allocation from one account to another account within the agency if doing so will enhance the efficiency or effectiveness of the allocation



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Appendix:

Schedule of Key Dates

Set forth below is a summary of certain key deadlines ascertainable on the face of the ARRA. All dates set forth below are either explicitly set forth in the text of the ARRA or calculated based upon the number of calendar days from the enactment thereof. Dates determined by calculating the number of days from enactment of the ARRA are determined without regard to whether the date falls on a weekend or federal holiday and, therefore, are approximate. Legal counsel should be consulted to determine these dates with certainty.

<u>Date</u>	<u>Topic</u>	<u>Program Name</u>	<u>Applicable Funds</u>
July 1, 2008	Temporary Increase in Federal Medical Assistance Percentage ("FMAP") (Section 6(A))	States enacting more restrictive Medicaid requirements past this date are excluded from additional FMAP funding.	\$89.7 billion
October 1, 2008	Clean and Drinking Water State Revolving Funds (Section 5)	Last date for incurring debt that is eligible for restructuring under the ARRA.	\$6 billion
March 10, 2009	Fixed Guideway Infrastructure Investment (Section 12)	Deadline for the Secretary of Transportation to automatically distribute funds under this section.	\$750 million
March 10, 2009	Highway Infrastructure Investment (Section 12)	Deadline for the Secretary of Transportation to automatically distribute funds under this section.	\$27.5 billion
March 10, 2009	Transit Capital Assistance (Section 12)	Deadline for the Secretary of Transportation to automatically distribute funds under this section.	\$6.9 billion
March 19, 2009	Community Service Employment for Older Americans Grants (Section 3)	Deadline for Department of Labor to increase the amount of 2008 grants awarded to grantees. All ARRA funds must be spent by July 1, 2010.	\$120 million

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<u>Date</u>	<u>Topic</u>	<u>Program Name</u>	<u>Applicable Funds</u>
March 19, 2009	General Provision for Funding Distributed by the Department of Transportation (Section 12)	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."	n/a
March 19, 2009	Homelessness Prevention Fund (Section 7(C))	Deadline for HUD Secretary to establish requirements for this program.	\$1.5 billion
March 19, 2009	Military Construction, Army National Guard and Air National Guard (Section 9(B))	Deadline for the Secretary of Defense to submit funding plans to Congress for planning, design and military construction projects in the U.S. that are not otherwise authorized.	\$50 million each
March 19, 2009	Native American Housing Block Grants (Section 13)	Deadline for HUD to automatically distribute half the funds under this section according to the FY2008 formula.	\$510 million
March 19, 2009	Public Housing Capital Fund (Section 7(A))	Deadline for automatic allocation of funds using the FY2008 formula.	\$3 billion
March 19, 2009	Special Fiscal Year 2009 Transfers for Unemployment Compensation Modernization Administration (Section 3)	Deadline for funds to be transferred to state accounts in the Unemployment Trust Fund.	up to \$500 million
April 3, 2009	Army Corps of Engineers Mississippi River and Tributaries Program (Section 5)	Deadline for the Secretary of the Army to file first quarterly report on the expenditure of funds under this program.	\$375 million
April 3, 2009	Army Corps of Engineers Operation and Maintenance Projects (Section 5)	Deadline for the Secretary of the Army to file first quarterly report on the expenditure of funds under this program.	\$2.075 billion

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<u>Date</u>	<u>Topic</u>	<u>Program Name</u>	<u>Applicable Funds</u>
April 3, 2009	Bureau of Reclamation Water Resources Projects (Section 5)	Deadline for the Secretary of the Interior to file first report on the expenditure of funds under this program.	\$1 billion
April 3, 2009	Other General Provisions (Section 14)	Deadline for state governors to certify that their states will request and use funds and that these activities will create jobs and economic growth.	n/a
April 18, 2009	Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service (Section 12)	Deadline for the Secretary of Transportation to decide how to allocate the funding between High Speed Rail Corridors and Intercity Passenger Rail Service.	\$8 billion
April 18, 2009	School Improvement Programs (Section 1(B))	Deadline for Secretary of Education to distribute McKinney-Vento funds to states.	\$70 million
April 18, 2009	Special Transfers for Unemployment Compensation Modernization (Section 3)	Deadline for the Secretary of Labor to prescribe requirements in relation to the unemployment compensation modernization provisions.	Up to \$7 billion
April 18, 2009	Supplemental Funding for Facilities and Equipment (Section 12)	Deadline for the FAA Administrator to establish a process for the grant program under this section.	\$200 million
May 3, 2009	Neighborhood Stabilization Program (Section 7(B))	Deadline for HUD Secretary to establish criteria for grant competition for funds to purchase abandoned and foreclosed property for use as affordable housing.	\$2 billion
May 18, 2009	General Provision for Funding Distributed by the Department of Transportation (Section 12)	First Reporting deadline for recipients of grants under this section.	n/a

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Date	Topic	Program Name	Applicable Funds
May 18, 2009	Health Information Technology Implementation Assistance (Section 6(C))	Deadline for HHS secretary to publish notice describing program and availability of funds.	Yet to be determined
May 18, 2009	Supplemental Discretionary Grants for a National Surface Transportation System (Section 12)	Deadline for the Secretary of Transportation to publish criteria for the grant competition under this section.	\$1.5 billion
June 1, 2009	Community College and Career Training Grants (Section 3)	Deadline for Secretary of Labor to promulgate guidelines for the submission of grant proposals.	\$90 million
June 17, 2009	Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service (Section 12)	Deadline for the Secretary of Transportation to provide guidance to applicants on grant terms, conditions, and procedures under this section.	\$8 billion
June 17, 2009	Grants-in-Aid to Airports (Section 12)	Deadline for the Secretary of Transportation to grant half the funds under this section.	\$1.1 billion
June 17, 2009	Other General Provisions (Section 14)	Deadline for projects to use 50 percent of the funds allocated to them in order to be considered "quick-start."	n/a
July 1, 2009	Special Education (Section 1(B))	Deadline for Secretary of Education to determine amounts to be distributed as State Incentive Grants.	\$12.2 billion
July 17, 2009	Capital Investment Grants (Section 12)	Projects not under construction by the date of enactment must be able to obligate funds by this date in order to receive priority funding.	\$750 million
July 17, 2009	Neighborhood Stabilization Program (Section 7(B))	Applications due to HUD for grants to purchase abandoned and foreclosed property for use as affordable housing.	\$2 billion

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<u>Date</u>	<u>Topic</u>	<u>Program Name</u>	<u>Applicable Funds</u>
August 16, 2009	General Provision for Funding Distributed by the Department of Transportation (Section 12)	Second Reporting deadline for recipients of grants under this section.	n/a
September 30, 2009	Native American Housing Block Grants (Section 13)	Deadline for HUD to distribute half the funds by competitive grant under this section.	\$510 million
September 30, 2009	Public Housing Capital Fund (Section 7(A))	Deadline for allocation of funds for grants, including those that leverage private funding or finance energy conservation renovations or retrofits.	\$1 billion
December 1, 2009	Education for the Disadvantaged (Section 1(B))	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)	\$13 billion
December 31, 2009	Extension of Emergency Unemployment Compensation Program (Section 3)	End of extension of period during which individuals are eligible for extended unemployment benefits.	Indeterminate
January 1, 2010	Competitive Grants to States and Indian Tribes for the Development of Loan Programs to Facilitate the Widespread Adoption of Certified EHR Technology (Section 6(C))	Date awards may begin to be granted.	Yet to be determined
January 1, 2010	Full Federal Funding of Extended Unemployment Compensation for a Limited Period (Section 3)	End of full federal funding for extended unemployment compensation benefits. (Can be extended; see June 1, 2010)	Indeterminate
January 1, 2010	Increase in Unemployment Compensation Benefits (Section 3)	End of period during which federal government will finance extra \$25 per week in unemployment compensation.	Indeterminate

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Date	Topic	Program Name	Applicable Funds
February 17, 2010	Clean and Drinking Water State Revolving Funds (Section 5)	Deadline for beginning construction if projects are to receive priority status.	\$6 billion
February 17, 2010	General Provision for Funding Distributed by the Department of Transportation (Section 12)	Third Reporting deadline for recipients of grants under this section.	n/a
February 17, 2010	Grants-in-Aid to Airports (Section 12)	Deadline for the Secretary of Transportation to grant all the funds under this section.	\$1.1 billion
February 17, 2010	HOME Investment Partnerships Program (Section 7(A))	Deadline for state agencies to commit at least 75 percent of the funds.	\$2.25 billion
February 17, 2010	Supplemental Discretionary Grants for a National Surface Transportation System (Section 12)	Deadline for the Secretary of Transportation to announce grant awards under this section.	\$1.5 billion
February 17, 2010	Training Funding (Section 3)	Deadline for the Secretary of Labor to issue procedures regarding the distribution of funds held in reserve if additional training funds are deemed necessary.	\$853.75 million
March 31, 2010	Education for the Disadvantaged (Section 1(B))	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)	\$13 billion
June 1, 2010	Full Federal Funding of Extended Unemployment Compensation for a Limited Period (Section 3)	End of extension period with respect to certain workers for full federal funding for extended unemployment compensation benefits.	Indeterminate
June 30, 2010	Job Corps Centers (Section 3)	Deadline for obligation of construction, rehabilitation, and acquisition funds for Job Corps Centers.	\$250 million

Prepared for The Council of State Governments by:
LATHAM & WATKINS LLP

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Sharing capitol ideas.

<u>Date</u>	<u>Topic</u>	<u>Program Name</u>	<u>Applicable Funds</u>
June 30, 2010	Workforce Investment Programs (Section 3)	End of period during which additional Workforce Investment Act funds are available.	\$3.95 billion
September 30, 2010	Broadband Technology Opportunities Program (Section 11)	Deadline for awards under this section to be made.	\$4.35 billion
September 30, 2010	Community Oriented Policing Services (Section 8(A))	End of additional funding for career law enforcement officers.	\$1 billion
September 30, 2010	Corporation for National and Community Service Programs (Section 3)	Existing AmeriCorps grantees whose grants were made prior to this date can take advantage of funds in the ARRA.	\$89 million
September 30, 2010	Extension of TANF Supplemental Grants (Section 3)	End of extension period for TANF supplemental grants.	\$319 million
September 30, 2010	NSF Research and Related Activities (Section 11)	Extra funding for "research and related activities" is available until this date.	\$2.5 billion
September 30, 2010	Other General Provisions (Section 14)	All ARRA funds are available until this date unless otherwise specified.	n/a
September 30, 2010	State Unemployment Insurance and Employment Services Grants (Section 3)	End of period during which additional unemployment insurance and employment services funds are available.	\$400 million
September 30, 2010	Temporary Increase in Federal Medical Assistance Percentage ("FMAP") (Section 6(A))	Deadline for states to submit form regarding how additional FMAP funds were expended.	Indeterminate
December 31, 2010	Extension of the Qualifying Individual Program (Section 6(A))	End of twelve-month extension of Qualifying Individual Program.	\$562.5 million
December 31, 2010	Extension of Transitional Medical Assistance ("TMA") (Section 6(A))	End of eighteen-month extension of work-related TMA.	Indeterminate
December 31, 2010	Temporary Increase in Federal Medical Assistance Percentage ("FMAP") (Section 6(A))	End of period during which each state's FMAP is increased by 6.2 percent.	\$89.7 billion

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Sharing capitol ideas.

Date	Topic	Program Name	Applicable Funds
January 1, 2011	Election to substitute grants to states for low-income housing projects in lieu of low-income housing credit (Section 7(A))	Deadline for states to use the funds provided for in this section.	Yet to be determined
February 17, 2011	General Provision for Funding Distributed by the Department of Transportation (Section 12)	Fourth Reporting deadline for recipients of grants under this section.	n/a
February 17, 2011	Grants-in-Aid to Airports (Section 12)	Projects must be scheduled to be finished by this date in order to receive priority funding.	\$1.1 billion
February 17, 2011	HOME Investment Partnerships Program (Section 7(A))	Deadline for state agencies to demonstrate that project owners have spent at least 75 percent of the funds.	\$2.25 billion
February 17, 2011	Supplemental Funding for Facilities and Equipment (Section 12)	Projects must be scheduled to be finished by this date in order to receive priority funding.	\$200 million
October 1, 2011	Special Transfers for Unemployment Compensation Modernization (Section 3)	Final date when incentive payments for unemployment compensation modernization will be paid to states.	up to \$7 billion
February 17, 2012	General Provision for Funding Distributed by the Department of Transportation (Section 12)	Final Reporting deadline for recipients of grants under this section.	n/a
February 17, 2012	HOME Investment Partnerships Program (Section 7(A))	Deadline for state agencies to demonstrate that project owners have spent all the funds.	\$2.25 billion
February 17, 2012	Supplemental Discretionary Grants for a National Surface Transportation System (Section 12)	Projects must be scheduled to be finished by this date in order to receive priority funding.	\$1.5 billion

Prepared for The Council of State Governments by:
LATHAM & WATKINS LLP

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March 2, 2009

Re: American Recovery and Reinvestment Act

From: Alan D. Conroy, Director

President Obama on February 17, 2009, signed into law the American Recovery and Reinvestment Act of 2009 (ARRA) which provides \$787 billion in economic stimulus funding through spending cuts, tax cuts and other provisions.

Included in the stimulus package is funding for several grant-in-aid programs. Virtually all of these programs already exist and the rules governing them should be known (in general) by state governments, including Kansas. Attached to this document is a detailed listing of the federal funds by major program that Kansas will receive.

Kansas' Portion of Federal Stimulus Funds

Kansas' share is estimated to be in excess of \$1.7 billion. The funds will flow through more than 37 different federal grant programs. There are five major programs that will receive over \$1.4 billion of the \$1.7 billion that Kansas will receive. Those five major programs include:

- \$449,172,000 – State Fiscal Stabilization Fund (82 percent for education and 18 percent for general purpose);
- \$402,184,000 – Federal Medicaid Assistance Percentage (FMAP);
- \$347,817,000 – Highways and bridges;
- \$115,241,000 – Special Education
- \$ 93,032,000 – Title I (education)

This memorandum will focus on the requirements of these five major programs.

State Fiscal Stabilization Fund

Kansas will receive \$449.2 million in grants from the State Fiscal Stabilization Fund to provide state fiscal relief and assistance for local schools and higher education institutions. Of the \$449 million Kansas will receive, 81.8 percent or \$367.4 million is for the support of elementary, secondary, postsecondary and early childhood education programs and services. Elementary and secondary education is defined by each state. The Governor is required to restore in FY 2009, FY 2010, and FY 2011 the level of state funding formulae to the **greater** of FY 2008 or FY 2009 levels.

Senate Ways & Means Cmte

Date 3-04-2009

Attachment 6

The Governor is also to provide public higher education institutions the amount of funds needed in FY 2009, FY 2010, and FY 2011 to restore state support (excluding tuition and fees paid by students) to the greater of FY 2008 and FY 2009 levels. Public higher education institutions must use the funds to mitigate the need to raise tuition and fees for in-state students, or for modernization, renovation or repair of higher education facilities that are primarily used for instruction, research or student housing, including recognized green building rating systems.

Flexible Portion

Of its allocation under the State Fiscal Stabilization Fund, a Governor must use the remaining \$18.2 percent or \$81.7 million for public safety and other government services which may include K-12 and higher education modernization, renovation or repair, including recognized green building rating systems. Funds may be used for any institution of higher education. K-12 school repair, modernization or renovation must be consistent with state law.

Medicaid FMAP Increase

The Federal Medicaid Assistance Percentage (FMAP) is the federal cost share of Medicaid. It changes every year based on a three-year average of state per capita personal income relative to the national average, except that no state receives less than 50 percent. The federal stimulus legislation increases state FMAPs in three ways:

- A "hold harmless" provision that eliminates any scheduled FY 2009 FMAP decrease;
- A 6.2 percentage-point across-the-board increase beginning October 1, 2008 through December 21, 2010.
- State programs also will receive a bonus based on a state's quarterly unemployment rate relative to its base rate.

To receive the increased FMAP funds, Kansas may not reduce eligibility standards below those that were in effect on July 1, 2008. For Kansas, the FMAP increase should total over \$402 million spread over FY 2009, FY 2010, and FY 2011.

Highways and Bridges

The federal stimulus package is estimated to provide a total of \$347.8 million for highways and bridges. The Governor must certify within 30 days of the federal enactment that Kansas will maintain its effort with regard to state funding for the types of projects funded in the federal stimulus legislation. Federal-aid highways formula funds are allocated half on the basis of state shares of the FY 2009 continuing resolution and half on the basis of the surface transportation program apportionment formula. As shown in the attached chart, 30 percent of the total state apportionment must be made available automatically to substate jurisdictions based on populations. In addition, states must set aside 3.0 percent of the total apportionment for "transportation enhancement" projects. The federal apportionment to states must be made within 21 days of enactment and priority given to projects that can be completed within three years and are located within economically

distressed areas. The first 50 percent of funds remaining after the sub-allocation are subject to reapportionment to faster-obligating states and the remaining 50 percent is subject to reapportionment after one year.

Special Education

Kansas is estimated to receive \$115.4 million for special education programs. Most of the funds (\$106.9 million) are for the federal Individuals with Disabilities Education Act (IDEA). The funding includes \$4.5 million for preschool special education services. In addition, the funding includes \$3.9 million for infant and toddler programs.

Title I

Kansas is expected to receive \$93 million in increased Title I education funding. Approximately \$70.5 million will flow to local school districts to assist programs targeted for low-income children. States are required to use some of the Title I funds for early-education programs and activities, as well as school improvement grants which would include grants for middle and high schools.

Reporting Requirements

The federal stimulus legislation has numerous reporting requirements on a state that receives federal funds through the legislation. Information as to how the funds were expended, the number of jobs saved or created, tax increases averted, and other information must be regularly reported to the federal government over the next three years.

Governor's Budget Amendment No. 1

On February 27, 2009, Governor Sebelius issued Governor's Budget Amendment No. 1. The Governor's Budget Amendment recognizes almost \$800 million in additional federal funds in four areas that will lessen the demand on the State General Fund:

- Medicaid – \$404.5 million over three years;
- Fiscal Stabilization Flexible Funds – \$81.0 million over two years;
- Fiscal Stabilization Education Funds – \$207.4 million over two years; and
- Special Education – \$107 million over two years.

Attached is a copy of the Governor's Budget Amendment No. 1.

Council of State Governments Presentation

This Wednesday, March 4, 2009, a representative of the Council of State Governments will be making two identical presentations on the federal economic stimulus legislation to the House Appropriations Committee at 9:00 a.m. in Room 143-N and the Senate Ways and Means Committee at 10:30 a.m. in Room 545-N.

American Recovery and Reinvestment Act
Kansas Estimated Amounts
(Dollars in thousands)

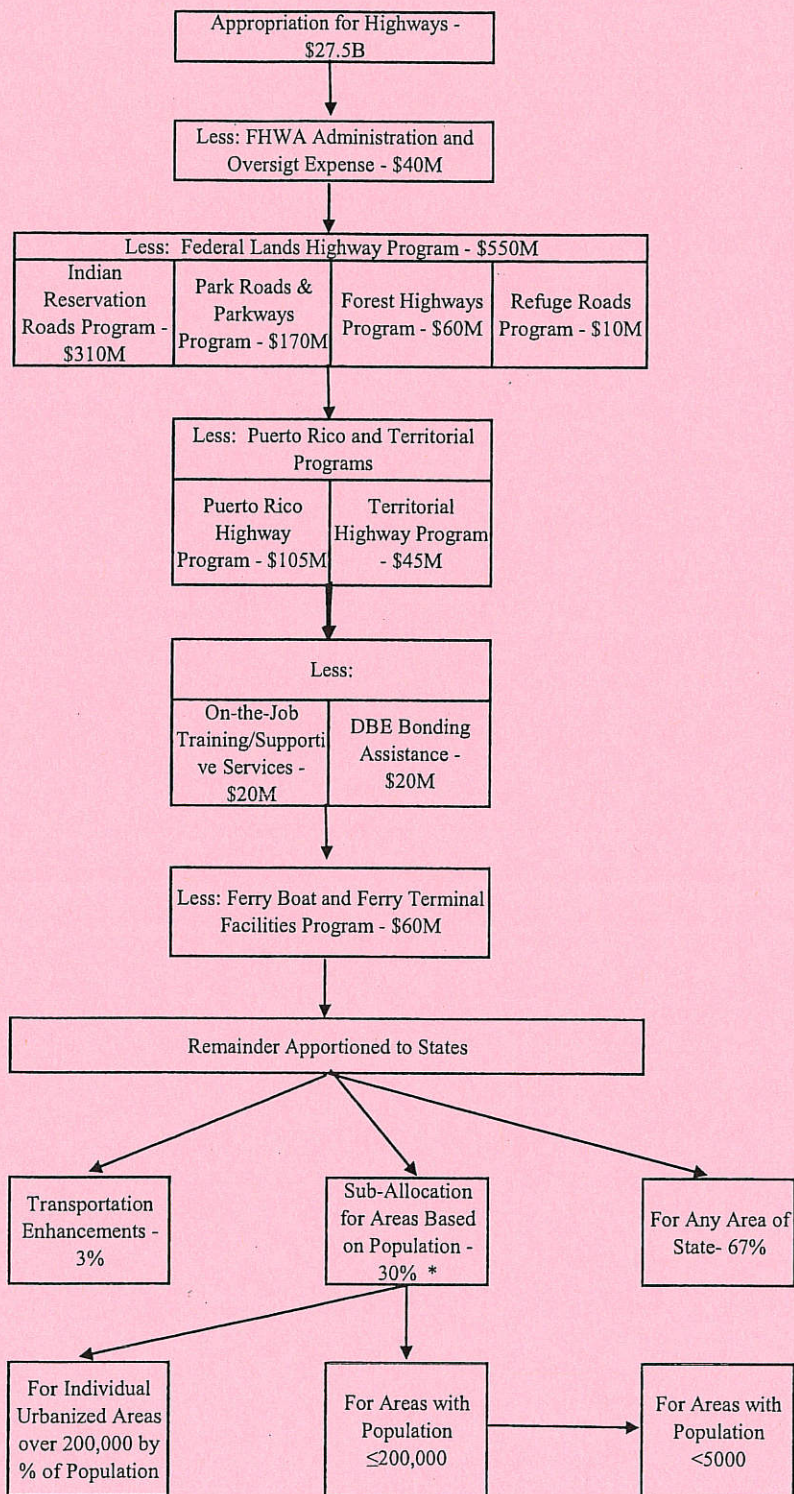
Program	Amount
State Fiscal Stabilization	
Education	\$ 367,423
General Purpose	81,749
Subtotal	\$ 449,172
Medicaid Assistance Percentage (FMAP)	
2009	154,382
2010/11	247,802
Medicaid Disproportionate Share-Hospitals	2,046
Highways and Bridges	347,817
Transit Capital Grants	
Urban	16,671
Rural	14,057
Subtotal	\$ 30,727
Rail Modernization (Fixed Guideway)	0
Drinking Water/SRF	19,651
Clean Water/SRF	35,924
Weatherization	55,988
State Energy Program	39,555
Emergency Food and Shelter	789
TEFAP	904
Immunization	4,020
Foster Care/Adoption	5,186
Elderly Nutrition	399
Child Care	18,415
Head Start	5,995
Community Services Block Grant	8,162
Title I	
Grants to Local Education Agencies	70,544
School Improvement	22,488
Special Education	
Part B	106,872
Part B-Preschool	4,497
Part C	3,872

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<u>Program</u>	<u>Amount</u>
Vocational. Rehabilitation	\$ 5,109
Independent Living	243
Education Technology.	4,532
McKinney-Vento (Education for Homeless)	364
School Lunch Equipment	972
Work Study	1,669
Public Housing Capital Fund	16,612
HOME (low income housing development)	17,106
Homelessness Prevention	11,407
Crime Victims Assistance	909
Internet Crimes Against Children	848
Violence Against Women	2,262
Byrne/JAG	20,232
Unemployment Insurance State Administration	5,824
Employment Service	3,572
Service for Older Americans	1,202
Workforce Investment Act	
Adult	2,729
Youth	7,194
Dislocated Workers	7,079
Total	<u>\$ 1,745,070</u>

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**Distribution of Highway Funds under
American Recovery and Reinvestment Act of 2009**



* Suballocation is required for all states. The exception for Alaska and Hawaii under 23 USC 133(d)(3)(C) does not apply.

MEMORANDUM

TO: Representative Kevin Yoder, Chairperson, House Appropriations Committee
Representative Bill Feuerborn, Ranking Minority Member, House Appropriations
Senator Jay Emler, Chairperson, Senate Ways and Means Committee
Senator Laura Kelly, Ranking Minority Member, Senate Ways and Means

FROM: Governor Kathleen Sebelius

DATE: February 27, 2009

SUBJECT: Governor's Budget Amendment #1

On February 17th, I signed into law a revised Fiscal Year 2009 budget, making \$300 million in cuts to state spending, and President Obama signed into law the American Recovery and Reinvestment Act, making one-time fiscal stabilization funds available to all states. These two laws give Kansas a path forward as we work on the FY 2010 budget.

My recommendations for the FY 2010 budget already include over \$600 million in additional cuts – eliminating programs, closing facilities, freezing new hires, and reducing spending – and I urge the Legislature to adopt these recommendations. These efforts, combined with the state stabilization funds included in the Federal Recovery Act, allow us to pass my FY 2010 budget recommendations without making deeper cuts to those programs which ensure the long term health of our great state. The Federal Recovery Act changes our projections of available funds, but does not change the need to curb state spending, protect our investments in schools and protect our most vulnerable citizens.

These stabilization funds also provide us the resources to follow through on our shared commitment, made last session, to open the doors of affordable health care to 8,000 more Kansas children and provided needed assistance to thousands of unemployed Kansans struggling in these difficult economic times.

Therefore, I am amending my FY 2010 budget recommendations to prevent harm to our schools, avoid job losses and protect vulnerable Kansans. Budget cuts deeper than what I have already recommended are not necessary, and would in fact do great harm to our state's economy and employment levels.

Four categories of recovery funds will directly stabilize the Kansas State General Fund:

1. Medicaid. Over nine quarters, October 1, 2008 to December 31, 2010, the federal share of Medicaid will increase by 6.2 percent. As a result Kansas is estimated to receive an additional \$103 million in FY 2009, \$200 million in FY 2010, and \$102 million in FY 2011. Kansas must maintain current eligibility standards to receive the funding, but the new federal funding directly offsets planned State General Fund appropriations.
2. Fiscal Stabilization—Education. An estimated \$367 million is available to Kansas to maintain minimum levels of state support for local schools and higher education. To access this money, Kansas must maintain, at a minimum, higher education and K-12 school finance at the FY 2008 or FY 2009 level, whichever is greater.
3. Fiscal Stabilization—Flexible. An estimated \$81 million is available to Kansas to prevent deeper cuts in public safety or other government services.
4. Special Education. An estimated \$107 million is available to Kansas in federal aid for special education.

To draw down these stabilization funds, we must keep higher education and school finance at the levels mandated by ARRA. Anything short of that will bar us from receiving the nearly \$985 million in recovery funds needed to stabilize the State General Fund. Therefore, I am proposing the following budget recommendations:

- Reaffirm the revised FY 2009 budget I signed last week and the remaining portion of my proposed FY 2010 budget, with the exception of the following items needed to secure federal recovery funds. Reductions and other actions already proposed should not be undone. However, deeper reductions are unwarranted at this time. The Federal Recovery Act funding makes it possible to avoid further job reductions and program cuts.
- Restore overall support for higher education at \$829 million—the level provided in FY 2008—in FY 2009 and maintain this funding level in FY 2010 and 2011. Because higher education institutions have already planned for the reductions proposed in my budget, the new ARRA funding should not be used to restore already proposed reductions, but rather be used for deferred maintenance projects or moderating student tuition.
- In order to qualify for federal recovery funds for education stabilization, we must maintain funding for schools at the revised FY 2009 level of \$4,400 per student in FY 2010 and FY 2011. Districts must commence teacher contracts this spring and maintaining funding levels will lend stability to their budgeting process if they knew their future level of state support.
- Special education provides important services to thousands of students. ARRA funding should be used to prevent further cuts in special education, maintaining funding at \$427.7 million in FY 2010 and FY 2011.

- Following 2008 legislative action, Kansas should take advantage of the recent federal reauthorization of SCHIP and move eligibility for Kansas children to 250 percent of the federal poverty level, providing health insurance to 8,000 additional children.
- Kansas is estimated to receive \$68 million in new funding to provide needed assistance to thousands of unemployed Kansans struggling in this recession. To access this funding, the legislature must adopt an alternative wage period to determine eligibility for UI benefits and make it clear in the law that a person would not be disqualified from benefits for leaving work due to a compelling family reason involving the care of an immediate family member with an illness or disability.

With these budget amendments and statutory changes, the 2010 budget is balanced, ends with money in the bank and does not raise taxes. I look forward to working with you to overcome our current economy challenges and continue to make Kansas a great place to live, work and raise a family.

The tables below further outline these proposed changes to the budget recommendations I made in January.

American Recovery and Reinvestment Act			
Estimated Amounts for Kansas (Not All Inclusive)			
<i>(Dollars in Millions)</i>			
	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Medicaid	102.8	199.7	102.0
Fiscal Stabilization--Flexible	--	40.5	40.5
Fiscal Stabilization--Higher Education	9.6	40.0	40.0
Fiscal Stabilization--K-12 Education	--	138.7	138.7
Special Education	--	53.5	53.5
Total	\$ 112.4	\$ 472.4	\$ 374.7

American Recovery and Reinvestment Act			
Corresponding State General Fund Impact to Governor's Budget			
<i>(Dollars in Millions)</i>			
	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Medicaid	(102.8)	(199.7)	(102.0)
SCHIP	--	1.2	2.4
Fiscal Stabilization--Flexible	--	(40.5)	(40.5)
Fiscal Stabilization--Higher Education	--	--	--
Fiscal Stabilization--K-12 Education	--	(103.7)	(103.7)
Special Education	--	(53.5)	(53.5)
Total	\$ (102.8)	\$ (396.2)	\$ (297.3)

**Kansas Health Policy Authority, Social & Rehabilitation Services, Aging and
Juvenile Justice Authority**

1. Medicaid

Health Policy Authority:	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State General Fund	(\$45,538,947)	(\$100,898,672)	(\$51,500,000)
All Other Funds	<u>45,538,947</u>	<u>100,898,672</u>	<u>51,500,000</u>
All Funds	\$ --	\$ --	\$ --
 Dept. of SRS:	 <u>FY 2009</u>	 <u>FY 2010</u>	 <u>FY 2011</u>
State General Fund	(\$ 35,615,964)	(\$61,080,967)	(\$31,550,000)
All Other Funds	<u>35,615,964</u>	<u>61,080,967</u>	<u>31,550,000</u>
All Funds	\$ --	\$ --	\$ --
 Dept. on Aging:	 <u>FY 2009</u>	 <u>FY 2010</u>	 <u>FY 2011</u>
State General Fund	(\$ 21,108,252)	(\$36,841,664)	(\$18,500,000)
All Other Funds	<u>21,108,252</u>	<u>36,841,664</u>	<u>18,500,000</u>
All Funds	\$ --	\$ --	\$ --
 Juvenile Justice:	 <u>FY 2009</u>	 <u>FY 2010</u>	 <u>FY 2011</u>
State General Fund	(\$ 558,754)	(\$ 841,216)	(\$ 450,000)
All Other Funds	<u>558,754</u>	<u>842,216</u>	<u>450,000</u>
All Funds	\$ --	\$ --	\$ --

Kansas Health Policy Authority

2. SCHIP

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State General Fund	\$ --	\$ 1,200,000	\$ 2,400,000
All Other Funds	--	<u>3,085,714</u>	<u>6,171,428</u>
All Funds	\$ --	\$ 4,285,714	\$ 8,571,428

Department of Corrections

3. Fiscal Stabilization--Flexible

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State General Fund	\$ --	\$(40,500,000)	\$(40,500,000)
All Other Funds	--	<u>40,500,000</u>	<u>40,500,000</u>
All Funds	\$ --	\$ --	\$ --

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Department of Education

4. Fiscal Stabilization--Education

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State General Fund	\$ --	\$(103,700,000)	(\$103,700,000)
All Other Funds	<u>--</u>	<u>138,700,000</u>	<u>138,700,000</u>
All Funds	\$ --	\$ 35,000,000	\$ 35,000,000

5. Special Education

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State General Fund	\$ --	\$(53,500,000)	(\$ 53,500,000)
All Other Funds	<u>--</u>	<u>53,500,000</u>	<u>53,500,000</u>
All Funds	\$ --	\$ --	\$ --

Regents System

6. Fiscal Stabilization--Education

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
State General Fund	\$ --	\$ --	\$ --
All Other Funds	<u>9,600,000</u>	<u>40,000,000</u>	<u>40,000,000</u>
All Funds	\$ 9,600,000	\$ 40,000,000	\$ 40,000,000

 Session of 2009

SENATE BILL No. 196

By Joint Committee on Pensions, Investments and Benefits

2-4

9 AN ACT concerning retirement and pensions; relating to employment
 10 after retirement; retirants employed by third-party entities; amending
 11 K.S.A. 2008 Supp. 74-4914 and repealing the existing section.
 12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2008 Supp. 74-4914 is hereby amended to read as
 15 follows: 74-4914. (1) The normal retirement date for a member of the
 16 system shall be the first day of the month coinciding with or following
 17 termination of employment with any participating employer not followed
 18 by employment with any participating employer within 30 days and the
 19 attainment of age 65 or, commencing July 1, 1993, age 62 with the com-
 20 pletion of 10 years of credited service or the first day of the month co-
 21 inciding with or following the date that the total of the number of years
 22 of credited service and the number of years of attained age of the member
 23 is equal to or more than 85. In no event shall a normal retirement date
 24 for a member be before six months after the entry date of the participating
 25 employer by whom such member is employed. A member may retire on
 26 the normal retirement date or on the first day of any month thereafter
 27 upon the filing with the office of the retirement system of an application
 28 in such form and manner as the board shall prescribe. Nothing herein
 29 shall prevent any person, member or retirant from being employed, ap-
 30 pointed or elected as an employee, appointee, officer or member of the
 31 legislature. Elected officers may retire from the system on any date on
 32 or after the attainment of the normal retirement date, but no retirement
 33 benefits payable under this act shall be paid until the member has ter-
 34 minated such member's office.

35 (2) No retirant shall make contributions to the system or receive serv-
 36 ice credit for any service after the date of retirement.

37 (3) Any member who is an employee of an affiliating employer pur-
 38 suant to K.S.A. 74-4954b and amendments thereto and has not withdrawn
 39 such member's accumulated contributions from the Kansas police and
 40 firemen's retirement system may retire before such member's normal
 41 retirement date on the first day of any month coinciding with or following
 42 the attainment of age 55.

43 (4) Any member may retire before such member's normal retirement

Proposed Amendment to Senate Bill No. 196

Prepared by: Gordon Self
 Office of Revisor of Statutes

March 4, 2009

Senate Ways & Means Cmte
 Date 3-04-2009
 Attachment 7

7-3

1 shall not apply to retirants employed as substitute teachers or officers,
2 employees or appointees of the legislature. The provisions of this subsection
3 shall not apply to members of the legislature prior to January 8, 2000.
4 The provisions of this subsection shall not apply to any other elected
5 officials prior to the term of office of such elected official which commences
6 on or after July 1, 2000. The provisions of this subsection shall
7 apply to any other elected official on and after the term of office of such
8 other elected official which commences on or after July 1, 2000. Except
9 as otherwise provided, commencing January 8, 2001, the provisions of
10 this subsection shall apply to members of the legislature. For determination
11 of the amount of compensation paid pursuant to this subsection,
12 for members of the legislature, compensation shall include any amount
13 paid as provided pursuant to subsections (a), (b), (c) and (d) of K.S.A. 46-
14 137a, and amendments thereto, or pursuant to K.S.A. 46-137b, and
15 amendments thereto. Notwithstanding any provision of law to the contrary,
16 when a member of the legislature is paid an amount of compensation of \$15,000
17 or more, or commencing in calendar year 2006, and all calendar years thereafter,
18 \$20,000 or more in any one calendar year, the member may continue to receive
19 any amount provided in subsections (b) and (d) of K.S.A. 46-137a, and amendments
20 thereto, and still be entitled to receive such member's retirement benefit.
21 Commencing July 1, 2005, the provisions of this subsection shall not apply to
22 retirants who either retired under the provisions of subsection (1), or, if they
23 retired under the provisions of subsection (4), were retired more than 30 days
24 prior to the effective date of this act and are licensed professional nurses or
25 licensed practical nurses employed by the state of Kansas in an institution
26 as defined in subsection (b) of K.S.A. 76-12a01 or subsection (f) of K.S.A.
27 38-2302, and amendments thereto, the Kansas soldiers' home or the Kansas
28 veterans' home. Nothing in this subsection shall be construed to create
29 any right, or to authorize the creation of any right, which is not subject
30 to amendment or nullification by act of the legislature. The participating
31 employer of such retirant shall pay to the system the actuarially determined
32 employer contribution based on the retirant's compensation during any such
33 period of employment.

34
35 (6) For purposes of this section, any employee of a local governmental
36 unit which has its own pension plan who becomes an employee of a
37 participating employer as a result of a merger or consolidation of services
38 provided by local governmental units, which occurred on January 1, 1994,
39 may count service with such local governmental unit in determining
40 whether such employee has met the years of credited service requirements
41 contained in this section.

42 Sec. 2. K.S.A. 2008 Supp. 74-4914 is hereby repealed.

43

1 Sec. 3. This act shall take effect and be in force from and after its
2 publication in the statute book.

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