The American Recovery and Reinvestment Act of 2009

Mark Cavanaugh
Governor’s Economic Recovery Team
Your tax dollars putting people to work
Jose Aguirre’s small paving company working on Colorado’s first ARRA road project
Recovery Act

- Landmark law signed in February 2009 by President Obama in Denver.

- Pumps $787 billion into the economy to create jobs, support those in need and invest in infrastructure and new industries.

- Colorado could receive up to $7 billion in the next three years for tax relief for working families, grants coming through many channels.

- About 140 fund streams supporting “safety net” infrastructure and economic growth.
$5.5B Colorado Recovery Act Funds

- **Other Federal**: $568
- **Tax Cuts & Soc Sec**: $1,025
- **Natural Resources & Environment**: $108
- **Healthcare**: $831
- **UI and Training**: $603
- **Transportation**: $543
- **Energy**: $183
- **Water**: $65
- **Public Safety**: $108
- **Food, Housing and Assistance**: $537
- **K-12**: $494
- **Higher Ed**: $493

(In Millions of Dollars)
Recovery Act Rollout

Stabilize State Budget

• Sustain state revenue
• Rapid infusion to Colleges and Medicaid
• Impact across state services and programs

Prime the Pump

• Tax Relief $900 Million for CO
• Immediate impact
• $250 Social Security payment to a half million Coloradans

Safety Net

• Help hardest hit first
• Invisible - no red tape
• Foundation for jobs
• Home, Food Health, Kids, Unemployed

Direct Spending

• Save and create jobs
• Build things now
• Utilize existing programs

Sustain Job Growth

• Plant seeds for future jobs
• Competitively based
• Encourage innovation and collaboration
• Performance Based

Individuals and families

Individuals and families

Local Communities

Local Communities
- State Fiscal Stabilization $760M
- $150 million per year to Colorado Colleges and Universities for three years = $452M total
- Remaining Education Stabilization to K-12 $170M
- $138M help balance state budget
- Medicaid “FMAP” $850M over three years
State Stabilization funding is allowing students to continue their education. Arrielle Nieves works as a lab assistant at Pikes Peak Community College.
Colorado Impact: Budget Stabilization

- $150 Million per year for 3 years to keep Colorado from slipping backward and keep tuition low at Colorado colleges

Department of Higher Education General Fund plus Stimulus Funds
from FY 1988-89 to FY 2009-10
$900M in tax relief for 1.8 million Colorado families through the “Making Work Pay” tax credit
  - Over 1/3 of the entire Recovery Act
  - $400 for individuals and $800 for families

One-time $250 Social Security payment to 500,000 Coloradans

Immediate and automatic impact for individuals and families
Emergency food and meals for 140,000 households
- Food stamp use up 30%
- $180K dedicated to Colorado
- Over 200,000 meals for seniors have been provided or delivered

Emergency shelter and housing
- Assistance with rent, mortgage and utility payments
- Requests for emergency shelter and food up 35% in Morgan, 82% on parts of the Western Slope
Emergency Food requests are up 30 percent at the Weld County Food Bank

Jean Echeverria packs high quality pork, chicken, eggs and turkey at the Weld County Food Bank
Extended unemployment benefits
  - As of June, 35,000 Coloradans receiving $25 more per week for 20 additional weeks

Health insurance for unemployed
  - Thousands receiving 65% COBRA subsidy

Child Care $10.5M FY 2009, $10.5M FY 2010

Low income housing assistance $45M

Homeless Prevention and Rental assistance

Immediate and automatic – no red tape
Infusing funds - federal, state and local to save and create jobs

- Road, bridge, transit, airport and water projects
- Summer work programs and job training
- Energy efficiency / weatherization
- Education funds to local communities to retain teachers
- Grants to local communities
- Justice assistance

Dollars stay in local communities
Infrastructure

Roads, Bridges, Airports and Transit

- $404M funding 51 surface, lane widening, bike path, bridge replacement, traffic signals
- 34 projects already under contract across the state
- 31 under or near construction
- 1,700 jobs to date
- $103M statewide transit projects
  - RTD, Colo Spgs, Ft Collins, Pueblo
- $37M to 7 Colorado Airports
  - DIA to Durango projects underway
Infrastructure

Water and Housing projects

- **$31M Clean Water Revolving Fund**
  - 43 Projects approved but not enough funding for all of them
  - 300 jobs estimated to be created

- **$34M Drinking Water Revolving Fund**
  - 44 projects approved but not all will be funded

- **Up to $50M for Neighborhood Stabilization Program**
  - Through HUD purchase and rehabilitation of foreclosed homes
Energy

Three Primary State Programs

1. Three year, $80M low-income weatherization program
   - Up to 200% of poverty eligible
   - Utilize non-profit partner agencies to implement
   - Goal 10,000-16,000 homes across the state

2. $49.2M State Energy Program (SEP)
   - Revolving loans for capital investment
   - Residential and commercial programs

3. $42.7M Energy Efficiency and Conservation Block Grants (EECBG)
   - $33M to large cities and counties remainder to rural through statewide distribution
Up to 10,000 Colorado homes will receive energy upgrades

Alex Johnson was laid off from his position as an Assistant Plumber. He now works on low-income weatherization projects in Northwest Colorado.
Training and Education

- Job training and K-12 education
  - $26M from Workforce Investment Act (WIA) for adult job training and support
  - $11.8M Youth Job Training
    - Ages 15-24
    - Approximately 3,000 Colorado youth being served
  - $500M available nationwide for energy-related job training

- Title I and IDEA: $319M across Colorado School Districts
  - Disabled and disadvantaged students – encourage innovation
  - Statewide distribution by formula
  - Accelerated rollout
Putting young people to work

Julia Kirklen trains 30 Denver youth ages 14 to 17 to work at Recreation Centers and Libraries across the city
Local Grants

- $10.3M Community Development Block Grants (CDBG)
  - Public facilities, housing, economic development

- $8.6M Community Services Block Grants (CSBG)
  - Local services for employment, housing and health
  - Up to 200% of FPL

- $18.3M Justice Assistance Grants (JAG)
  - Crime prevention, rural law enforcement drug treatment, local programs

- $3.3M VOCA, VAWA and ICAC taskforce
Investments in education, infrastructure and innovation

- Competitive Energy
  - Biomass $800M nationally available
  - Smart Grid $4.8 going to Fort Collins
- “Race to the Top”
  - Lt. Gov Barbara O’Brien leading effort
  - Colorado could receive as much as $300M
- Health IT
  - Colorado Regional Health Information Organization (CORHIO) leading effort
  - $20B available nation-wide
Competitive Grants are speeding medical research

Dr. Marc Moss from CU Medical School awarded $3 million to research preventing nerve and muscle damage
Investments in education, infrastructure and innovation

- Broadband build-out
  - First round applications are in
  - Collaboration is the key
- R & D (mostly health and science)
  - CU applied for $180M received $30M
  - $45.1M to Colorado-based UQM
- TIGER competitive highway grants
  - $1.5B nationwide
  - Colorado applying for 7 projects including $300M US 36 grant
Other ARRA Programs (1/3)

Direct Federal Projects

- Department of Defense Facility Upgrades $130M
  - Most to Ft Carson and Buckley AFB
- General Services Administration (GSA) energy overhaul and new construction $331M
  - Upgrades to 7 buildings, 2 new buildings
- National Park Service $20.5M across 10 CO parks
- National Forest Service (USDA) $26.8M
- US Army Corps of Engineers $4.6M for flood control projects at four CO reservoirs
Other ARRA Programs (2/3)

Small Business Loans

- ARRA Small Business Administration loan program expansion:
  - Fee elimination
  - 90% Loan Guarantee
  - ARC and Micro-loan Programs
    - Extra funding for loans and technical assistance from micro-lenders
    - Deferred payment of loans up to $35,000 for small businesses facing immediate economic hardship

First-Time Homebuyer Tax Credit

- $8,000 tax credit if purchased before end of 2009
Other ARRA Programs (3/3)

Bond Programs

- **Build America Bonds** – Taxable bonds for any public project financed from traditional tax-exempt bonds but incentive is 35% tax credit or 35% federal direct payment to the issuing government.
  - Justice Complex and History Museum will save $77M

- **Recovery Zone Economic Development Bonds** – Similar to BABs but for economically distressed areas and payment is 45%. No cap.

- **School Construction Bonds** – Zero interest financing for school construction projects. $87M annual Colorado cap.
  - Colorado the first to utilize entire cap for schools in the San Luis Valley at a savings of $45M to the state

- **MUST be issued** by the end of 2010.

- **Colorado State Treasurer’s office is taking the lead.**
Recovery Act Themes

- Where possible utilize existing allocation process
  - Specifically, CDOT projects, public health water programs, Local Affairs housing programs etc.

- Break down barriers - The Act encourages collaboration and partnership
  - Horizontal: Across department “silos.” For example, Governor’s Energy Office working directly with the Colorado Department of Labor and Employment on workforce training opportunities.
  - Vertical: From the federal level through the state to the municipal and special district level.
  - With non-profit and private sector: Weatherization program must utilize partner agencies across the state.

- Balance: speed, accountability, transparency
Colorado Economic Recovery Accountability Board (CERAB)

- Formed by Governor Ritter on February 18 to oversee recovery funds in Colorado and to ensure accountability and transparency
- 14 members from public and private sector
- CERAB does not control or allocate funds
- Headed up by Don Elliman, State of Colorado, Chief Operating Officer
- [www.colorado.gov/recovery](http://www.colorado.gov/recovery)
Accountability and Transparency Requirements

- Executive accountability certifications
- Web-based information and reporting at federal and state level
- Detailed reporting on contracts, grants, costs, job creation by fund recipients
- Increased Inspector General and GAO oversight
- Colorado is one of 16 GAO states
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