

MAINE STATE LEGISLATURE

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The Recovery Act At Work In Maine

www.maine.gov/recovery

Updated January 26, 2010

Governor's Introduction

In February of last year, President Obama signed into law the American Recovery & Reinvestment Act of 2009. The purpose of the Recovery Act is to create and save jobs, jumpstart our economy, and build the foundation for long-term economic growth. The Act includes measures to modernize the nation's infrastructure, enhance America's energy independence, expand educational opportunities, increase access to health care, provide tax relief, and protect those in greatest need.

Immediately after enactment, I signed Executive Order 25 FY08/09, which named Commissioner Ryan Low of the Department of Administrative and Financial Services as the Coordinator of Recovery Funds for Maine, requiring all agencies to report to him information as needed to fulfill Maine's responsibilities under the Act. Additionally, this Executive Order set up a process for the Maine Legislature's involvement in oversight and participation in the Recovery Act implementation. This process has served us well as we carry out our responsibilities under the Act - be it creating jobs, repairing infrastructure, protecting the most vulnerable, or meeting our statutory requirement for transparency and accountability by filing Section 1512 reports.

Maine will benefit from receiving in excess of \$2 billion in Recovery Act funding over the span of the Act, with funding coming into the state in a variety of manners. Approximately \$1.2 billion will flow through state government and agencies through traditional federal formula programs for items such as infrastructure enhancements, Medicaid services, education funding, weatherization programs, and law enforcement support. Additionally, Maine citizens and businesses will be the recipients of roughly \$650 million in direct tax relief through a variety of provisions in the Recovery Act, including the "Making Work Pay Credit," an expansion of the first time homebuyers tax credit, and extensions of the net operating loss and bonus depreciation provisions. Additional Recovery Act funding will be awarded to Maine non-profits, communities, businesses, and universities through competitive grant opportunities and direct federal spending.

At the end of Calendar Year 2009 Quarter 4, Maine state government had received and expended just over \$600 million in Recovery Act funding. The majority of this funding has been in Medicaid reimbursement, additional unemployment compensation payments, education, human services and infrastructure investments in transportation, drinking and sewer water improvements.

Maine has been recognized early in the Recovery Act implementation process for prudent, efficient, and expedited spending of its infrastructure funding. We were the first state in the nation to have 100% of our transportation funding obligated, days ahead of the deadline when states were required to have 50% obligated, and Chairman Oberstar of the U.S. House of Representatives Transportation and Infrastructure Committee has consistently ranked Maine to be one of the top performing states in infrastructure funding use through their monthly analysis of

Recovery spending. As a result of our decision to quickly put the transportation funding to work during the 2009 construction season, nearly 3,800 people were employed in jobs in Maine as a direct result of Recovery Act funding. This number is only direct infrastructure jobs and does not include the indirect jobs that are associated with these projects -- in fact the President's Council of Economic Advisors in their September 10th report estimated that Maine saw 10,000 jobs created or saved through Recovery Act spending through this quarter, and is estimated to see 15,000 jobs through the course of the implementation.

While I am pleased with our successful implementation to date, there is still work to be done. The following report will detail how Maine has spent Recovery Act funding thus far, provide an overview of the Section 1512 reports filed by state agencies, and preview the anticipated expenditures during the next phase of implementation. Upon passage of the Recovery Act I indicated that the transparency and accountability provisions were going to be as important as the benefit of the expenditures -- this report is our continued and evolving commitment to provide detailed data on this funding. I would encourage you to visit our recently redesigned Recovery website, www.maine.gov/recovery, where you can now track by department and/or location Recovery expenditures that are subject to federal reporting.

Sincerely,

John E. Baldacci
Governor

Section 1512 Reporting Requirements

The Recovery Act required recipients to file quarterly reports detailing funding received, detailed expenditures of funds, jobs created by the awards and several other data elements. The data in this analysis covers the 2nd reporting period of October 1, 2009 through December 31, 2009.

While this reporting requirement is comprehensive, it is important to note that it does not cover all of the Recovery Act funding in Maine. The state only reports on funding received by state agencies that are subject to Section 1512 reporting requirements. We will not be reporting on funding for entitlement programs or monies that went directly from the federal government to the other recipients such as universities, private businesses, and local municipalities, as they are responsible for submitting required reports directly to the federal government. For a list of the programs subject to the Section 1512 reporting requirement, visit: http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21-suppl.pdf.

A summary of the State of Maine's initial submission is at the end of this report, with the full report submissions available on our recovery website, www.maine.gov/recovery. For the period ending on December 31st, we submitted 145 reports to www.federalreporting.gov that details the \$208,681,652.09 in Recovery Act expenditures that are subject to reporting requirements received by the state in that period.

The summary data included in this report, and the full submissions on our web site, are not 100% finalized. We are currently within a period where the cognizant federal agency will review the submissions and may request edits or additional information. On January 30th, the final reports will be made available in searchable format on www.recovery.gov as well as the full submissions on www.maine.gov/recovery.

A Note on Job Reporting Data

It is important to note that the jobs created/saved data in Maine's Section 1512 filings represents the federal governments requirement that our reports only contain direct jobs as calculated by a Full Time Equivalent (FTE) formula focusing on hours worked rather than the number of individuals employed as a result of Recovery Act funding.

Effective this period, the Office of Management and Budget revised the manner in which jobs were to be calculated and reported. Jobs are no longer cumulative across the life of the award, rather just reported based on FTE for the quarterly reporting period. Jobs are now calculated by the portion of hours funded by Recovery dollars divided by 520 (the standard number of hours in a quarterly full-time schedule).

In the prior quarter, OMB guidelines were followed for FTE calculations allowing for a start date when each ARRA program could have started being used for the denominator, not necessarily a standard 520 hours for all calculations. Additionally, the last reporting period spread across three quarters covering February 17, 2009 through September 30, 2009.

Lastly, the numbers of Maine's total job creation for this period of 1224.89 will differ from the White House Council of Economic Advisor's report for this period which indicates Maine created or saved 10,000 jobs. This difference is due to the fact that the Council takes into account all Recovery Act funding in a state and not just funding which is subject to the Section 1512. Additionally, the CEA report also includes indirect jobs that are a result of federal Recovery spending, whereas the state's submission is limited to direct jobs.

Recovery Act Projects by Department or Agency

Below is a brief overview of awards to state agencies that are subject to Section 1512 submissions, listed in order of Recovery Act funding spent. Highlights of some of the expenditures within the agency are listed as well as some mention of future implementation plans and potential discretionary funds the agency may seek.

The figures listed beside each agency reflect the amounts submitted to www.federalreporting.gov on their respective 1512 report. The expenditure and award totals are cumulative across all past quarters as required by the Office of Management and Budget, however, the job total is a quarterly figure, based on a full-time equivalent calculation of hours worked and supported by Recovery Act funds for the current reporting quarter only.

Transportation

| | |
|-----------------------------|----------------------|
| Total Expenditures | \$89,618,981 |
| Total Awards | \$145,028,665 |
| Period Reported Jobs | 129.94 |

The Maine Department of Transportation (MDOT) has received three formula awards totaling \$145,028,665. These funds cover the highway and bridge allotment, public transportation funding and a Federal Aviation Administration award for the Augusta State Airport. To date, contracts have been awarded for 71 highway and bridge projects (42 completed), 3 transit projects are out to bid, and the Augusta Airport project is near completion. This funding has resulted in 3,773 direct, on-project jobs during the 2009 construction season.

In addition to the above formula award, the Department has submitted applications for the Secretary of Transportation's Transportation Investment Generating Economic Recovery (TIGER) discretionary grants. MDOT submitted five separate applications for a total of \$166.2 million. MDOT is also a co-applicant with New Hampshire DOT on the \$70 million Memorial Bridge component of New Hampshire's TIGER grant application.

MDOT is also partnering with the Northern New England Passenger Rail Authority on a Federal Rail Administration High-Speed Intercity Passenger Rail Recovery Act grant for \$35 million which would expand Downeaster passenger service from Portland to Brunswick as well as make trip time improvements from Portland to Boston.

Announcements on both the TIGER and High-Speed Rail applications are anticipated in the coming weeks.

Education

| | |
|-----------------------------|----------------------|
| Total Expenditures | \$79,383,471 |
| Total Awards | \$240,850,726 |
| Period Reported Jobs | 318.5 |

The Maine Department of Education has received funding to support Title 1, Special Education, Educational Technology grants, Education for Homeless Youth and Child Nutrition programs.

Additionally, the Department is the applicant for Maine's award from the State Fiscal Stabilization Fund which is received in two parts – one award of \$106,027,721 for education budget support and the other award, the Government Services Fund totaling \$35,209,731, which was designed to assist states with their budget shortfalls.

To date, Maine has used their Government Services to fund a Recovery Act oversight position, cover Medicaid expenses and purchase vaccines.

Health & Human Services

| | |
|-----------------------------|---------------------|
| Total Expenditures | \$17,149,470 |
| Total Awards | \$35,686,698 |
| Period Reported Jobs | 301.86 |

The majority of the Department's expenditures to date have been in the Community Services Block Grant subawards to service providers and the Drinking Water Program which makes water infrastructure improvements. This funding allows Maine to capitalize its revolving loan fund for the financing for the construction of drinking water facilities, green infrastructure, program administration and drinking water related activities.

The Department also received significant funding in several areas that are just beginning to be implemented and have not yet seen significant expenditures, including \$6.75 million for the Child Care Development Fund, and \$1 million for healthcare associated infection prevention.

Environmental Protection

| | |
|-----------------------------|---------------------|
| Total Expenditures | \$11,391,633 |
| Total Awards | \$34,955,915 |
| Period Reported Jobs | 84.13 |

The majority of the Department's expenditures to date have been to capitalize its revolving loan fund for the financing for the construction of wastewater treatment facilities and associated infrastructure, green infrastructure, non-point source projects, estuary projects and program administration. The Department received \$30.3 million which will fund 39 projects, of which 35 are under construction, creating 165 direct jobs on the projects.

The Department has completed a number of projects with Recovery funding through a Leaking Underground Storage Tank grant award for the remediation of environmental contamination caused by motor fuel leaking underground petroleum storage tanks, and the removal of abandoned tanks suspected of causing contamination.

Labor

| | |
|-----------------------------|---------------------|
| Total Expenditures | \$4,986,457 |
| Total Awards | \$20,344,269 |
| Period Reported Jobs | 149.36 |

The Maine Department of Labor (MDOL) has received a significant amount of funding to provide for training of workers through a variety of programs. Additionally, to date, MDOL has received nearly \$4.6 million in Recovery Act National Emergency Grant funding for ten Maine companies that have substantial downsizing – this funding will assist in training for hundreds of individuals affected by the actions.

MDOL is continually enrolling participants in Workforce Investment Act programs. Through the reporting quarter 1,363 participants have been enrolled, including 211 low-income adults and 379 laid off workers. Additionally, the extended summer youth program was highly successful with 773 youth having been enrolled in work experiences.

Maine State Housing Authority

| | |
|-----------------------------|---------------------|
| Total Expenditures | \$3,437,536 |
| Total Awards | \$59,200,854 |
| Period Reported Jobs | 156 |

The Maine State Housing Authority administers Maine's low-income weatherization program and received a substantial award of \$41.9 million in Recovery Act funding to support this program. With this funding Maine Housing will improve the energy efficiency of low-income homes, resulting in lower home energy costs and improved health and safety of 4,000 low income households through out the State of Maine over the grant period. This funding has already created 140 jobs with additional positions expected as the expenditure rate increases. Jobs created including energy auditors, weatherization installers, administrative staff and management to oversee program operations.

MaineHousing was awarded just over \$6.5 million in Homelessness Prevention and Rapid Re-Housing Program funds. Contracts have been signed with 13 sub-grantees who will administer funds in all 16 counties. Program participants will receive case management and housing stabilization services, along with short-term financial assistance for paying rent, security deposits, back utility payments, moving costs, and other costs specifically related to achieving permanent housing stability.

MaineHousing is also the recipient of nearly \$10.7 million in Tax Credit Assistance Program (TCAP) funding from the U.S. Department of Housing and Urban Development. This funding will fill the capital funding gap created by the dramatic downturn in the affordable housing investment market and contribute to the retention of critical construction jobs throughout the state.

Public Safety

| | |
|-----------------------------|--------------------|
| Total Expenditures | \$852,071 |
| Total Awards | \$7,572,815 |
| Period Reported Jobs | 24.9 |

The majority of Public Safety's expenditures to date are within the Byrne Justice Assistance Grant program. Funds will be distributed based upon priorities established by the Justice Assistance Council through information gathered at a public hearing. The funds will be used for Maine's statewide Multi-jurisdictional Task Force Program (comprised of the Maine Drug Enforcement Agency and the Office of the Attorney General Prosecution Support) and local initiatives to improve the state's capacity to prevent and control crime, administer justice, and assist victims.

STOP (Services, Training, Officers and Prosecution) Violence Against Women Program received just over \$1 million in Recovery Act funding to support

communities in their efforts to develop and strengthen effective law enforcement and prosecution strategies to combat violent crimes against women and to develop and strengthen victim services in cases involving violent crimes against women. Maine Public Safety contracts with a number of providers to provide these services.

Additionally, Public Safety received a Recovery Act award to enhance internet crimes against children capacity by funding additional field forensic investigators (detectives) and extending the contract of a forensic computer consultant (examiner) to allow for additional, proactive Peer to Peer investigations and investigations initiated by referral.

Defense, Veterans & Emergency Management (DVEM)

| | |
|-----------------------------|--------------------|
| Total Expenditures | \$556,267 |
| Total Awards | \$1,105,500 |
| Period Reported Jobs | 7.9 |

DVEM, through the United States National Guard Bureau, received an award of \$1.1 million to conduct energy efficiency improvements and upgrades at Army National Guard facilities in Augusta, Bangor, Houlton and Portland. This funding supports 10 projects to be completed, with five projects already completed.

Economic and Community Development

| | |
|-----------------------------|--------------------|
| Total Expenditures | \$488,741 |
| Total Awards | \$3,443,007 |
| Period Reported Jobs | 10 |

The Department of Economic and Community Development administers the Community Development Block Grant (CDBG) for the State of Maine. CDBG received an award of \$3.4 million in Recovery Act funding. The Department will utilize the funding to support 8 projects proposed by communities throughout Maine, leveraging an additional \$12 million in investment.

Public Utilities Commission

| | |
|-----------------------------|---------------------|
| Total Expenditures | \$350,335 |
| Total Awards | \$39,265,843 |
| Period Reported Jobs | 3.25 |

The largest award the PUC received is the State Energy Plan (SEP) formula funds of \$27.3 million. Working with the Maine Legislature's Joint Select Committee on Maine's Energy Future, the PUC developed a comprehensive plan to invest these funds in energy projects throughout the state.

During the reporting period, the PUC posted a number of competitive opportunities accepting proposals, including business conversion projects, energy audits and block grants for municipal energy efficiency projects.. The first of these awards were made in early January (outside of this period's reporting window) of \$8.9 million in awards to 16 Maine companies through the Industrial Grant Program. These awards will leverage private capital investment and allow the recipients to make substantial energy efficiency improvement, saving energy, reducing greenhouse gas emissions and supporting a significant number of workers through the improvements.

Additionally, earlier this month a new home energy performance program supported with Recovery Act funds is now available to all Maine homeowners who make energy efficiency improvements. By making eligible improvements in their homes, individuals can access rebates of up to \$3,000 and save between 25 percent and 50 percent on their home heating bill.

Maine Arts Commission

| | |
|-----------------------------|------------------|
| Total Expenditures | \$261,149 |
| Total Awards | \$293,100 |
| Period Reported Jobs | 6.8 |

The Maine Arts Recovery Grant provides funds to subsidize the preservation of jobs within nonprofit arts organizations. During the reporting period the Maine Arts Commission made awards from the second and final round of the Maine Arts Recovery Grant. 30 eligible applications were received and 12 awards were approved for funding.

Agriculture

| | |
|-----------------------------|--------------------|
| Total Expenditures | \$102,771 |
| Total Awards | \$1,031,759 |
| Period Reported Jobs | 0 |

In October 2009, Maine Department of Agriculture received an additional award of \$99,068 for administrative support for the Temporary Food Assistance Program (TEFAP), to support the distribution of the federal food commodity. The first award of \$102,771 for administrative funding was used to purchase a forklift for food distribution and the remainder was contracted to the Good Shepherd Food Bank for storage, distribution and administrative costs.

Additionally, the Department also received notice of approval of an award of \$829,920 for eligible aquaculture producers who suffered losses from the high cost of feed during 2008.

State Planning Office

| | |
|-----------------------------|------------------|
| Total Expenditures | \$45,291 |
| Total Awards | \$157,241 |
| Period Reported Jobs | 30.49 |

Goodwill Industries of Northern New England through the Maine Commission for Community Service, requested \$127,241 to work in partnership with Maine Campus Compact to implement an innovative, new program called the Maine Access Program (MAP). They will recruit and train recent Maine College graduates as AmeriCorps members to work full time for 11 months in Maine High Schools as advisors and mentors to close the gap between a student's desire to go to college and their actual enrollment.

Additionally, the office received a small Recovery Act award to provide program management and supervision for VolunteerMaine Recovery Act VISTA Project. With the VISTA award, the Maine Commission for Community Service supports an individual to oversee VISTA volunteers as they serve Maine organizations. During the reporting period, VISTA volunteers completed the equivalent of 23 AmeriCorps VISTA member Service Years (MSYs) and per federal guidance this total was reported as full time equivalent in the jobs reported to www.federalreporting.gov.

Maine Attorney General's Office

| | |
|-----------------------------|-----------------|
| Total Expenditures | \$42,289 |
| Total Awards | \$42,289 |
| Period Reported Jobs | 0 |

The Attorney General's Office received additional funds through the Recovery Act to reimburse victims of violent crimes for crime related expenses and losses incurred. The Maine Victims' Compensation Program pays for out-of-pocket expenses and losses to or on behalf of individual victims of violent crime. Expenses and losses include medical, counseling, and funeral bills and lost income. Payments contribute to the economic health, and thereby job retention, of service provider businesses, individual victims, and the communities in which these victims and service providers live.

Conservation

| | |
|-----------------------------|---------------------|
| Total Expenditures | \$13,994 |
| Total Awards | \$11,424,000 |
| Period Reported Jobs | 1.76 |

The United States Department of Agriculture Forest Service awarded the Maine Department of Conservation \$11.4 million in Recovery Funding to convert public building to wood heat. Funds will be awarded through a competitive grant process

to Maine municipalities and school districts, with a preference given to those in counties with unemployment rates greater than 8% at the time of the application deadline. All public building conversion projects are anticipated to be eligible, including schools, hospitals, municipal buildings, and state facilities within the eligible counties. The proposals were due in early January and are currently being reviewed by the Department with awards anticipated in the coming weeks.

Summary of Preliminary Reports

Concluding this overview of Maine’s progress to date on implementing the American Recovery & Reinvestment Act of 2009 is a summary of our initial Section 1512 report submissions. Maine agencies submitted a total of 145 reports accounting for funding within reportable programs that flowed through state government. At this date, the information is still preliminary and will not be finalized until published by the Recovery Board on January 30th at www.recovery.gov.

We encourage you to visit the federal recovery site, as well as Maine’s site at www.maine.gov/recovery. To make the data even more user-friendly, Maine’s site has been significantly enhanced to include detailed mapping of expenditures and user initiated searching of Maine’s data reported on 1512 submissions.

Summary of Recovery Act Section 1512 Reports Submitted by the State of Maine For Reporting Period Covering October 1st – December 31, 2009

Reporting Summary

| <i>Number of Reports</i> | <i>Number of Agencies</i> | <i>Number of Direct Jobs Created</i> |
|--------------------------|---------------------------|--------------------------------------|
| 145 | 16 | 1224.89 |

Number of Reporting Entities

| <i>Subrecipients</i> | <i>Vendors</i> |
|----------------------|----------------|
| 373 | 450 |

Financial Summary

| <i>Total Award</i> | <i>Total Expenditures</i> | <i>Total Infrastructure Expenditures</i> |
|--------------------|---------------------------|--|
| \$600,402,681 | \$208,681,652.09 | \$118,541,089.53 |

