



THE UNITED STATES CONFERENCE OF MAYORS

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The United States Conference of Mayors
**MAINSTREET
ECONOMIC RECOVERY**
www.usmayors.org/mainstreeteconomicrecovery

February 13, 2009 (3:00pm EST)

TO: All Mayors

FROM: Tom Cochran, CEO and Executive Director

A handwritten signature in black ink that reads "Tom Cochran".

SUBJECT: **Major Victories for City Priorities in American Recovery Conference Agreement:
Report #1**

As a USCM Mayoral Delegation met with key leaders in Congress Wednesday, a final agreement was announced on the American Recovery and Reinvestment Act (ARRA) that contains major victories for The U.S. Conference of Mayors and your cities.

While legislative language and final amounts have not been released, we have been informed that:

- **The Energy Efficiency and Conservation Block Grant (EECBG)** is funded at \$2.8 billion. This is a HUGE VICTORY for a program conceived and championed by The U.S. Conference of Mayors. The EECBG is authorized at \$2 billion annually and had never been funded previously.

In addition, the Bill contains \$400 million in competitive energy grants to be administered by the U.S. Department of Energy.

- The Highway Program is funded at \$27.6 billion, with 30 percent sub-allocated to local areas through the **Surface Transportation Program (STP)**. This means that local areas will receive \$7.9 billion. This is a MAJOR VICTORY in that the stimulus bill passed by the House in 2008 provided that all the funding would go to the states, and contained no funding for local areas. Over the past few months, we have worked hard to provide a more balanced transportation program. In addition, we secured language that provides local areas up to one year to obligate the funds.

And, ARRA contains \$1.5 billion for competitive grants to states and local governments for priority road, highway, public transit, rail, and port infrastructure of metropolitan, regional and national significance – to be administered by the U.S. Department of Transportation.

- **Public Transportation (Bus and Rail)** is funded at \$8.4 billion (including \$750 million for New Starts, and \$750 million for Rail Modernization).
- **High-Speed Rail/Intercity Passenger Rail** is funded at \$8 billion – a huge increase over the House and Senate bills. High-Speed Rail was a major priority that emerged from the USCM Mayors '08 Action Forum on Infrastructure in New York City last August.

- **Amtrak** is funded at \$850 million.
- **Airport Improvement Grants (AIP)** is funded at \$1.1 billion.
- **Community Development Block Grant (CDBG)** is funded at \$1 billion.
- **Neighborhood Stabilization Program (NSP)** is funded at \$2 billion. Unlike the current formula-based NSP program, under ARRA the NSP funding will be allocated on a competitive basis by the U.S. Department of Housing and Urban Development (HUD). In addition, along with state and local governments, non-profits will now be eligible to compete directly for program funding.
- **Public Housing Capital Fund (Modernization)** is funded at \$4 billion.
- **Emergency Shelter Grants**, administered by HUD, is funded at \$1.5 billion.
- **The HOME category** is listed as being funded at \$2.25 billion. HOWEVER, this is not the current formula-based program. Instead, all the funding goes to state housing credit agencies for capital investments in low-income housing tax credit projects.
- **Clean Water State Revolving Funds (SRF)** is funded at \$4 billion, and **Safe Drinking Water Revolving Funds (SRF)** is funded at \$2 billion. The Bill requires that states use “not less than 50 percent” of the funds for principal forgiveness, negative interest loans or GRANTS.

Under ARRA, states are directed to fund projects on state priority lists that can be started within the 12 months after the President signs the Bill. In that each state gets to determine its priority list, this is a continuing concern for many mayors.

- **Community Oriented Policing Services (COPS)** is funded at \$1 billion, and waives BOTH the \$75,000 cap and the \$75,000 match. This is a major victory, and COPS will have more hiring money in one year than in any time in its history.

The Byrne Justice Assistance Grant (JAG) formula public safety block grant is also funded at \$2 billion, more than double the funding ever provided in one year.

- **Workforce Training Programs** are funded at \$3.95 billion - with \$1.2 billion for youth training, including **Summer Jobs**. An increase in job training funding has been a USCM priority to help transition people to new jobs during the current recession. Restoration of the Summer Jobs program has been a key priority for USCM since the stand-alone program was eliminated in the passage of the Workforce Investment Act (WIA) in 1998.
- **School Modernization (K-12 and higher education)** is funded at \$8.8 billion. This funding is included in the \$39.54 billion available in state general fiscal relief for schools, and each Governor will have discretion on how the funding will be sub-allocated.
- **National Endowment for the Arts** is funded at \$50 million to provide grants to state and local arts agencies to assist nonprofit arts agencies create or retain jobs in the arts community.

Without the leadership of Conference President Manny Diaz of Miami, and the hard work of all our members, we would not have the victories listed above - including direct funding for cities and local governments in the largest funding bill in American history.

The final agreement will provide mayors with an opportunity to create good jobs, invest in sustainable infrastructure, and increase energy efficiency while reducing climate emissions.

We will continue to provide updates as more information is made available, such as details on the important tax provisions in the Bill. In the meantime, please contact me at (202) 293-2354 or tcochran@usmayors.org, or my Chief of Staff Ed Somers at (202) 861-6706 or esomers@usmayors.org.