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Demystifying the **Stimulus**

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Recovery Act by the numbers...

The largest spending bill in American history:

- **Stimulus Spending** (\$304 billion) – energy, education, transportation, unemployment, etc.
- **Tax Cuts** (\$288 billion) – \$400 tax credit for individuals earning less than \$75,000.
- **Long-term Investments** (\$100 billion) – primarily through research grants.
- **State Fiscal Relief** (\$95 billion)



What does it mean for **states**...

Over **\$300 BILLION** in potential funding for state governments and state-related programs. Over 60% of Recovery Act spending will flow through or be touched by state governments (less than 1% goes directly to local governments).



State Fiscal Relief...

Over \$95 billion in Medicaid and fiscal stabilization funds that may **SUPLANT** current state spending to address the states' \$200 billion budget crisis. By some estimates the state budget crisis would be 40% worse if it were not for the stimulus.



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Other state funding...

States will receive over **\$120 billion in formula funding** to supplement state education budgets, transportation programs, energy efficiency initiatives, social safety net programs. The stimulus also includes over **\$100 billion in competitive grant funding** for medical research, energy efficiency, education reform, and other areas which may benefit state agencies and universities.



What does the public think...

Only 25% of Americans believe the stimulus has helped the economy. Even among those who support the stimulus most still don't know what is in it. Many assume it is a big pot of flexible money that can be applied for if you have a "shovel ready" project.



The supermarket **sound bite...**

Even though states didn't pass the Recovery Act your constituents will look to you to answer their questions or vent their anger over this historic legislation. Whether you believe it is good policy or bad it pays to have a simple sound bite articulating your views on the stimulus.



What can you do for **constituents...**

There is no one-stop-shop for stimulus funds, your constituents will need your help in weaving through the maize of state agencies receiving stimulus dollars. For most, there will not be a funding source for their priority or idea. However, for projects, businesses, or job seekers interested in energy efficiency there are significant opportunities.



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Where do I start...

Get to know the key individuals in your state's weatherization office, energy program office, and workforce training agency. Funding for the "Weatherization" and "State Energy Program" accounts has risen by 70-fold and 20-fold respectively and states are struggling to spend the money. Workforce development agencies also are receiving large infusions of training funds for "green jobs" from the U.S. Department of Labor.



The River Walk and the Research Triangle...

The Recovery Act will not create the infrastructure legacy of the New Deal, with transformational public assets such as the San Antonio river walk. However, states that take a strategic approach to stimulus funding could transform local economies much the way that North Carolina used federal research funding to build the Research Triangle. Getting there will take legislative leadership.



For further assistance contact **CSG Washington**

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