



What the Federal Stimulus Package Means for Virginia's Schools

Christopher D. Lloyd
Virginia Educational Facility Planners
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The American Recovery and Reinvestment Act of 2009

- Signed by President Obama on February 17, 2009
- \$787 billion in spending and tax actions
- States will play a significant role in allocation of grants and aid packages
- Infrastructure focus on energy, broadband technology, and transportation

School Modernization - Proposed

- House proposal included \$14 billion
- Senate plan included \$16 billion
- Virginia share of \$225-\$260 million
- Allocated directly to localities based on FY 2008 Title 1 allocations
- Grants for purpose of modernizing, renovating, or repairing public school facilities, based on their need for such improvements, to be safe, healthy, high-performing, and up-to date technologically

School Modernization - Results



Senator Collins



Senator Snow



Senator Specter

Compromise legislation removes ALL school modernization funds

School Modernization – What's Left

- State fiscal stabilization funds allocate to localities may be used for modernization, renovation or repair of public school facilities
- Principal uses of these funds are for special needs children, literacy programs, and vocational education
- No funds for maintenance, stadiums, vehicles or administration facilities
- Any project receiving federal assistance must comply with Davis-Bacon prevailing wage requirements, Build America requirements
- Virginia allocation of about \$219 million

School Modernization Fund – What's Left

- \$10.7 million for School Technology Grants – Virginia
- “School Improvement Fund” monies are for instructional/programmatic improvements, not property
- Virginia General Assembly restored some school construction funds (Lottery proceeds)

School Modernization Funding – Local Actions

- Portsmouth – Could construct gyms at 3 elementary schools
- Martinsville – roofs, boilers, HVAC upgrades
- Many communities have budget hearings in next 2-3 weeks
- www.stimulus.virginia.gov

Qualified School Construction Bonds

- \$11 billion allocation for both 2009 and 2010
- Virginia allocation of about \$242.7 million
- Chesterfield, Fairfax, Virginia Beach, Prince William get direct allocations
- Tax free bond allocations (like private activity bonds)
- Can be used for up to 100% of project costs for construction, rehabilitation, or repair of public school facilities or for the acquisition of land

Qualified Zone Academy Bonds

- Adds \$1.4 billion for 2010 (scheduled to expire in 2009)
- Tax free (or even no interest) bonds for school construction
- Must be located in EZ/EC communities or localities with at least 35% free lunch eligibility
- Virginia allocation of about \$8 million

Broadband Infrastructure

- \$7.2 billion allocated for broadband infrastructure
- Monies may be used for broadband infrastructure in schools, community colleges, and higher education facilities
- Purchase equipment, hardware, software, networking capability and other broadband infrastructure
- Allocation criteria to be developed by Assistant Secretary of Commerce – competitive grant process envisioned
- No less than 1 grant per state

Energy Efficiency

- \$3 billion of grants to states for energy efficiency and conservation block grants
- Virginia share of \$69.2 million
- Monies may be available for encouraging energy-efficient buildings

What Should I Be Doing?

- Contact school facilities staff to outline opportunities
- Urge allocations for facilities improvement – locality by locality
- Examine strategic partnerships and alliances to pursue construction, broadband and energy funding
- Seek opportunities to leverage municipal bond programs
- Seek clarity on contracting procedures

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