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American Recovery & Reinvestment Act of 2009 (P.L. 111-5)

Education Infrastructure

President Obama signed the American Recovery & Reinvestment Act of 2009 (ARRA) on February 17 (P.L. 111-5). ARRA allocates a total of $787.2 billion to states and federal agencies through a variety of spending and revenue measures, which are designed to stimulate the economy. Approximately $53 billion of this total is targeted for investments in education infrastructure. The following provides an outline of education infrastructure funds in ARRA, including a description of the programs, potential recipients of funds, and how interested parties may pursue funding allocated in the Act.

State Fiscal Stabilization Fund – Department of Education: $53.6 billion

Allocations to Each State

The U.S. Secretary of Education will first distribute up to one half of 1% to outlying areas and states based on their respective needs. Thereafter, the Secretary will distribute 61% of the funds to states on the basis of their relative population of individuals aged 5 through 24, while the remaining 39% of the funds will be distributed to states on the basis of their relative total population.

Allocations by the Governor of Each State for Education Infrastructure

The Governor of each state must use 18.2% of his state education allocation for public safety and governmental services, which may include modernization, upgrades, renovations, and repair of public school facilities and institutions of higher education, particularly when brought into compliance with the green building rating system.

Potential Recipients: State and local governments; public secondary and higher institutions of education; private industry.

How to Access Funds: Interested parties should contact the Department of Education and the office of their respective Governor.

For additional information about the ARRA, visit www.klgates.com/practices/stimulus.