

# The Stimulus Bill and the Education Industry

By E. Lander Medlin

By all accounts the \$789 billion economic stimulus package enacted into law as the American Reinvestment & Recovery Act (ARRA) by President Obama on February 17 represents a huge investment in the country's human/intellectual capital and its research capacity. These resource allocations have achieved historic levels for the education industry sector. Indeed, there were some big wins and a few losses once the final bill passed through the House and Senate conference committee. The bill does contain a massive increase for student aid and basic research, and seeks to relieve states of potential cuts to higher education and K-12 schools. However, it excludes a separate pot of money for campus infrastructure modernization and eliminated money for the student loan program that private colleges hoped would be funded.

Nevertheless, monies did materialize in the form of a "State Fiscal Stabilization Fund" along with increased funding for Medicaid that should ease pressure on state budgets and allow governors to address the need for public and private education facilities infrastructure projects. Facilities professionals should take note of this "opening" and work closely with their institutions to ensure their "shovel-ready" projects are packaged and ready immediately for funding consideration at the state level. Once governors have made specific application to the Secretary of the Department of Education for their portion of this \$48 billion (population-based, formula-funded distribution method), these monies must be disbursed quickly following these caveats:

- Will mitigate the need to raise tuition and fees for in-state students;
- Funds for modernization, renovation, or repair (*not* new construction) of higher education facilities;
- These facilities must primarily be used for instruction, research, or student housing;
- These modernizations must be consistent with a recognized green building rating system.

Addressing these caveats within your submittal materials will help you make the most effective case for your projects.

## HUGE DOLLARS HAVE BEEN ALLOCATED FOR RESEARCH, WHICH WILL BENEFIT HIGHER EDUCATION INSTITUTIONS ENORMOUSLY.

In addition, huge dollars have been allocated for research, which will benefit higher education institutions enormously. Facilities professionals should also take note of these allocations since a number of them may provide major financial opportunity. Specifically, I am referring to the unfunded portions of "prior" energy legislation (i.e., policy, conservation, production, independence, and security) *and* the introduction of new funding for alternative energy and energy efficiency programs. The Department of Energy (DOE) Energy Efficiency & Renewable Energy Program Office (EE&RE) has been funded to an unprecedented level totaling \$16.8 billion. In particular, facilities professionals should focus on the

\$3.2 billion set aside for energy efficiency and conservation "block" grants; the \$3.1 billion for State Energy Programs; and \$3.5-billion for general DOE/EE&RE programs; and, the separate pot of \$4.5 billion targeted for electricity delivery and energy reliability.

Although a notice of intent and subsequent solicitation of grant proposals will be forthcoming within 60 days of the bill's enactment, unsolicited research/application proposals will be reviewed upon receipt as Energy Secretary Steven Chu announced on February 19. Clearly, projects focused on energy efficiency, climate change, biofuels, innovative technologies, energy creation with industry, the use of alternative or renewable energy, and other contributions to the "green" industry will have great opportunities

for funding. You should be able to show how this project is a real investment in the new energy economy. The elements of any standard project proposal (scope, tasks, benefits, etc.) should be included along

with institutional cost-share and financing plans, expectations for job creation, number of Americans put back to work, and readiness for implementation.

In addition, there are other federal agencies with opportunities worth pursuing:

- National Institutes of Health will have \$1.5-billion for the agency to spend on renovating university facilities to help them compete for biomedical research grants. What better way to collaborate with your faculty researcher than to assist in the preparation of such a proposal.
- National Institute of Standards and Technology has been allocated \$180 million for competitive grants for academic research science building con-

struction (another campus academic collaborative opportunity).

- National Science Foundation has \$900 million for infrastructure generally in the area of equipment, instrumentation, and modernization, so it is worth looking into the specifics.

Finally, the area of “job training” received \$3.95 billion, of which about one-half was provided to support retraining of dislocated workers and adults. This just may be an opportunity for an organized, well-developed Apprenticeship Training Program. I am aware of a few such programs that could use this type of financial bolstering. It could make a huge difference in the lives of displaced workers and provide support to the operations budget. Emphasis was also made on the importance of preparing workers for the “green” industry.

During the congressional hearings it was said, “Economists tell us that strategic investments in education are one of the best ways to help America become more productive and competitive.” Let’s make them right for once!

Because criteria, procedures, and details for implementation continue to emerge, and will rapidly throughout this process, APPA is committed to providing you regular information updates on our website and in electronic communications. In addition, given our proximity to the Washington, D.C. area and extensive contact with the federal agencies (such as DOE), the APPA staff will serve you by facilitating and/or providing a conduit for the flow of information and gathering answers to your specific questions. What we can do individually pales to what we can do collectively. Let’s work together.

As you can readily surmise, a great deal of money is now available at both federal agencies and the state level. Huge decisions will be made at an accelerated pace. This is a different approach to the infusion of new resources into the economy and specifically into education. This is indeed an historic commitment. It will take all our creativity, innovation,

and inventiveness to make the best use of the resources we secure.

And, we must seek these dollars and these opportunities in equally different ways. Don’t wait for these programs to come to you. You must jump right in and have your plans, proposals, programs, and projects ready to seize the moment. This window of opportunity

will be small and only open for what will seem a fleeting few seconds. Let’s talk – now! 💰

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