

State's stimulus spending about \$436 million

BY SUSAN M. COVER
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AUGUSTA -- The state has spent about \$436 million in federal stimulus money so far, which helped employ more than 3,400 people in construction, water projects and sewer projects, the governor's office said Thursday.

The state met its first reporting deadline earlier this month by providing the federal government with specific reports on how the money authorized by the American Recovery & Reinvestment Act has been used.

President Barack Obama signed the law in February with the goal of jump-starting a floundering economy.

Maine is expected to receive more than \$2 billion in stimulus funding over the next two years, with some flowing through the state and other money going directly to residents.

For example, 5,000 Mainers applied for the first-time homebuyers credit that's in place through Nov. 30, according to the governor's office. A tax credit of up to \$8,000 is available.

Gov. John Baldacci released the information Thursday, saying the money is working in Maine -- both through programs aimed to help the poor or unemployed workers, and through major transportation projects, such as the repaving of Interstate 295.

"In just its first six months, the Recovery Act has created thousands of jobs, saved many more and paid direct benefits to Maine families that have helped them through the most challenging economy of our time," Baldacci said in a statement.

Maine has received national attention for its speedy use of the stimulus funds, gaining recognition as the first state in the nation to obligate all of its transportation money.

Ryan Low, coordinator of the state's recovery funds, said the first phase of money went mostly to unemployment, Medicaid and transportation. The reports filed with the federal government cover only a portion of the total money spent by the state, Low said.

While Low pegs the number of jobs related to stimulus money at more than 3,400, the federal formula will recognize only a fraction of those.

For example, Low said, if 400 people worked on a construction project for three months, because they are not employed full-time and year-round, the federal government counts that only as 100 full-time-equivalent jobs.

While much of the money received so far has been through formulas, that's expected to change over the next few months.

In the next phase, the state will be competing for grants to help pay for improvements to energy efficiency and startups of broadband Internet and high-speed rail. Some of those programs will allow cities and towns to compete for funding, as well.

"Nearly 50 percent of Recovery Act funding that's going to states is expected to be spent in federal fiscal year 2010, which started Oct. 1," Low said. "We've shifted away from the entitlement-type grants and into the more competitive programs."

An example of that is a recent award to the state Department of Conservation, which recently got more than \$11 million to convert public buildings to wood heat. Maine municipalities and schools can compete for the money, with a preference given to economically depressed areas such as Franklin, Somerset and Washington counties.

"We are also competing for grants as a state for things like broadband, passenger rail, electrical transmission infrastructure," said David Farmer, Baldacci's deputy chief of staff. "We have proposals in Washington that are being considered for big pots of money in those areas."

Low said the state will be aggressive in working to draw as much federal money as possible.

"We're still out there, actively engaged, looking for additional Recovery Act opportunities," he said. "That means whether it's resources that come in to the state government or whether it's things we can do to help position the university or community college, or whether it's a nonprofit or a business."

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