

The Recovery Act At Work In Maine

www.maine.gov/recovery

Updated April 30, 2010

Governor's Introduction

In February of last year, President Obama signed into law the American Recovery & Reinvestment Act of 2009. The purpose of the Recovery Act is to create and save jobs, jumpstart our economy, and build the foundation for long-term economic growth. The Act includes measures to modernize the nation's infrastructure, enhance America's energy independence, expand educational opportunities, increase access to health care, provide tax relief, and protect those in greatest need.

Immediately after enactment, I signed Executive Order 25 FY08/09, which named Commissioner Ryan Low of the Department of Administrative and Financial Services as the Coordinator of Recovery Funds for Maine, requiring all agencies to report to him information as needed to fulfill Maine's responsibilities under the Act. Additionally, this Executive Order set up a process for the Maine Legislature's involvement in oversight and participation in the Recovery Act implementation. This process has served us well as we carry out our responsibilities under the Act - be it creating jobs, repairing infrastructure, protecting the most vulnerable, or meeting our statutory requirement for transparency and accountability by filing Section 1512 reports.

Maine will benefit from receiving in excess of \$2 billion in Recovery Act funding over the span of the Act, with funding coming into the state in a variety of manners. Approximately \$1.3 billion will flow through state government and agencies through traditional federal formula programs for items such as infrastructure enhancements, Medicaid services, education funding, weatherization programs, and law enforcement support. Additionally, Maine citizens and businesses will be the recipients of roughly \$650 million in direct tax relief through a variety of provisions in the Recovery Act, including the "Making Work Pay Credit," an expansion of the first time homebuyers tax credit, and extensions of the net operating loss and bonus depreciation provisions. Additional Recovery Act funding will be awarded to Maine non-profits, communities, businesses, and universities through competitive grant opportunities and direct federal spending.

At the end of Calendar Year 2010 Quarter 1, Maine state government had received and expended \$792,422,158.26 in Recovery Act funding. The majority of this funding has been in Medicaid reimbursement, additional unemployment compensation payments, education, human services and infrastructure investments in transportation, drinking and sewer water improvements.

Maine has been recognized early in the Recovery Act implementation process for prudent, efficient, and expedited spending of its infrastructure funding. In fact a significant amount of the traditional formula funds that were increased as a result of the Recovery Act are already obligated and significantly expended.

Maine has also been very competitive in receipt of discretionary Recovery Act grant funding from federal agencies. In the last few months, state agencies have been the direct recipient of or partners in several discretionary grants that were funded, including:

- \$35 million in funding to expand the Downeaster Rail from Portland to Brunswick;
- \$14 million to advance Maine's 3-port strategy in Portland, Searsport and Eastport;
- \$6.6 million to implement a state health information technology plan;
- \$4.3 million to work with communities in addressing obesity; and
- \$30 million to fund energy efficiency improvements through a revolving loan fund partnership between Maine Housing and the Public Utilities Commission.

While I am pleased with our successful implementation of the Recovery Act to date, there remains work to be done. The following report will detail how Maine has spent Recovery Act funding thus far, provide an overview of the Section 1512 reports filed by state agencies, and preview the anticipated expenditures during the next phase of implementation. Upon passage of the Recovery Act I indicated that the transparency and accountability provisions were going to be as important as the benefit of the expenditures -- this report is our continued and evolving commitment to provide detailed data on this funding. I would encourage you to visit our Recovery website, www.maine.gov/recovery, where you can now track by department and/or location Recovery expenditures that are subject to federal reporting.

Sincerely,

John E. Baldacci
Governor

Section 1512 Reporting Requirements

The Recovery Act required recipients to file quarterly reports detailing funding received, detailed expenditures of funds, jobs created by the awards and several other data elements. The data in this analysis covers the 3rd reporting period of January 1, 2010 through March 31, 2010.

While this reporting requirement is comprehensive, it is important to note that it does not cover all of the Recovery Act funding in Maine. The state only reports on funding received by state agencies that are subject to Section 1512 reporting requirements. We will not be reporting on funding for entitlement programs or monies that went directly from the federal government to the other recipients such as universities, private businesses, and local municipalities, as they are responsible for submitting required reports directly to the federal government. For a list of the programs subject to the Section 1512 reporting requirement, visit: http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21-suppl.pdf.

A summary of the State of Maine's initial submission is at the end of this report, with the full report submissions available on our recovery website, www.maine.gov/recovery. For the period ending on March 31st, we submitted 154 reports to www.federalreporting.gov that details the \$277,225,323.26 in Recovery Act expenditures that are subject to reporting requirements received by the state in that period.

The summary data included in this report, and the full submissions on our web site, are not 100% finalized. We are currently within a period where the cognizant federal agency will review the submissions and may request edits or additional information. On April 30th, the final reports will be made available in searchable format on www.recovery.gov as well as the full submissions on www.maine.gov/recovery.

A Note on Job Reporting Data

It is important to note that the 1130.79 jobs created/saved reported this quarter in Maine's Section 1512 filings represents the federal governments requirement that our reports only contain direct jobs as calculated by a Full Time Equivalent (FTE) formula focusing on hours worked during the reporting period rather than the number of individuals employed as a result of Recovery Act funding.

The White House Council of Economic Advisor's report released on April 14th, finds that since February of 2009, 13,000 jobs have been created or saved as a result of Recovery Act funding. This difference is due to the fact that the Council takes into account all Recovery Act funding in a state and not just funding which is subject to the Section 1512 requirements and filed by Maine State Government. Additionally, the CEA

report also includes indirect jobs that are a result of federal Recovery spending, whereas the state's submission is limited to direct jobs.

Recovery Act Projects by Department or Agency

Below is a brief overview of awards to state agencies that are subject to Section 1512 submissions, listed in order of Recovery Act funding spent. Highlights of some of the expenditures within the agency are listed as well as some mention of future implementation plans and potential discretionary funds the agency may seek.

The figures listed beside each agency reflect the amounts submitted to www.federalreporting.gov on their respective 1512 report. The expenditure and award totals are cumulative across all past quarters as required by the Office of Management and Budget, however, the job total is a quarterly figure, based on a full-time equivalent calculation of hours worked and supported by Recovery Act funds for the current reporting quarter only.

Education

Total Expenditures	\$120,176,863
Total Awards	\$240,850,726
Period Reported Jobs	332.02

The Maine Department of Education has received funding to support Title 1, Special Education, Educational Technology grants, Education for Homeless Youth and Child Nutrition programs.

Additionally, the Department is the applicant for Maine's award from the State Fiscal Stabilization Fund which is received in two parts – one award of \$106,027,721 for education budget support and the other award, the Government Services Fund totaling \$35,209,731, which was designed to assist states with their budget shortfalls. To date, Maine has used their Government Services to fund Recovery Act oversight positions, cover Medicaid expenses and purchase vaccines.

Transportation

Total Expenditures	\$93,543,753
Total Awards	\$145,028,665
Period Reported Jobs	42.25

The Maine Department of Transportation (MDOT) has received three formula awards totaling \$145,028,665. These funds cover the highway and bridge allotment, public transportation funding, ferry boat construction and a Federal Aviation Administration award for the Augusta State Airport. To date, contracts have been awarded for 73 highway and bridge projects (42 completed), 3 transit projects have been awarded, 2 ferry projects are under construction and the Augusta Airport project is completed. To date,

Recovery Act funding has resulted in 4,134 direct, on-project jobs in the construction industry.

In addition to the above formula award, the Department was successful in receiving funding for one of its applications for the Secretary of Transportation's Transportation Investment Generating Economic Recovery (TIGER) discretionary grants. On February 17, 2010, the United States Department of Transportation announced a \$14 million award to MDOT for its 3-port strategy. TIGER funds will help the Port of Portland to upgrade the wharf and upland storage facility at the International Marine Terminal Facility; the Port of Seaport to invest in innovative new equipment, including a heavy-lift mobile harbor crane; and the Port of Eastport to invest in storage space and conveyor equipment. This funding is not included in the quarter's filings of 1512 reports as the award documentation will be finalized outside of the reporting period.

Also in January of this year, MDOT learned that the Federal Rail Administration had approved the \$35 million application that MDOT partnered with the Northern New England Passenger Rail Authority (NNEPRA) on for High-Speed Intercity Passenger Rail Recovery Act grant which will expand Downeaster passenger service from Portland to Brunswick as well as make trip time improvements from Portland to Boston. Since NNEPRA is the lead and will be filing the required reports, the financial and job information is not included in the above MDOT totals.

Environmental Protection

Total Expenditures	\$21,982,244
Total Awards	\$34,955,915
Period Reported Jobs	128.84

The majority of the Department's expenditures to date have been to capitalize its revolving loan fund for the financing for the construction of wastewater treatment facilities and associated infrastructure, green infrastructure, non-point source projects, estuary projects and program administration. The Department received \$30.3 million for the Clean Water State Revolving Fund which will fund 39 projects, of which 17 are completed and 21 are under construction, creating 280 direct jobs on the projects.

The Department has completed a number of projects with Recovery funding through a Leaking Underground Storage Tank grant award for the remediation of environmental contamination caused by motor fuel leaking underground petroleum storage tanks, and the removal of abandoned tanks suspected of causing contamination.

Health & Human Services

Total Expenditures	\$19,695,875
Total Awards	\$41,105,518
Period Reported Jobs	210.43

The majority of the Department's expenditures to date have been in the Community Services Block Grant subawards to service providers and the Drinking Water Program which makes water infrastructure improvements. This funding allows Maine to capitalize its revolving loan fund for the financing for the construction of drinking water facilities, green infrastructure, program administration and drinking water related activities.

During this reporting quarter, the Department received a \$4.3 million Communities Putting Prevention to Work grant from the United States Department of Health & Human Services designed to support public health efforts to address obesity, physical activity and nutrition in order to decrease chronic disease and promote overall health. The grant funds efforts by Maine's Center for Disease Control and Department of Health and Human Services, to reduce the rate of obesity. The award was a result of a competitive grant process and supports positions at the local level to implement strategies over a two-year period. The local programs participating with the State are Healthy Portland, which serves the City of Portland, and Communities Promoting Health Coalition, serving the Sebago Lakes Region.

The Department also received significant funding in several areas that are just beginning to be implemented and have not yet seen significant expenditures, including \$6.75 million for the Child Care Development Fund, and \$1 million for healthcare associated infection prevention.

Maine State Housing Authority

Total Expenditures	\$8,985,335
Total Awards	\$59,200,854
Period Reported Jobs	196.36

The Maine State Housing Authority administers Maine's low-income weatherization program and received a substantial award of \$41.9 million in Recovery Act funding to support this program. With this funding Maine Housing will improve the energy efficiency of low-income homes, resulting in lower home energy costs and improved health and safety of 4,000 low income households through out the State of Maine over the grant period, with 1,317 homes being completed through the reporting period. During the current reporting period, this funding supported 163.4 full-time equivalent jobs with additional positions expected as the expenditure rate increases. Jobs created including energy auditors, weatherization installers, administrative staff and management to oversee program operations.

MaineHousing was awarded just over \$6.5 million in Homelessness Prevention and Rapid Re-Housing Program funds. Contracts have been signed with 13 sub-grantees who will administer funds in all 16 counties. Program participants will receive case management and housing stabilization services, along with short-term financial assistance for paying rent, security deposits, back utility payments, moving costs, and other costs specifically related to achieving permanent housing stability.

MaineHousing is also the recipient of nearly \$10.7 million in Tax Credit Assistance Program (TCAP) funding from the U.S. Department of Housing and Urban Development, of which \$8,672,087 has been obligated to fund three projects. Two of the projects have started construction, and a third will be started soon. This funding will fill the capital funding gap created by the dramatic downturn in the affordable housing investment market and contribute to the retention of critical construction jobs throughout the state.

Labor

Total Expenditures	\$7,267,334
Total Awards	\$26,116,482
Period Reported Jobs	105.57

The Maine Department of Labor (MDOL) has received a significant amount of funding to provide for training of workers through a variety of programs. Additionally, to date, MDOL has received nearly \$5.5 million in Recovery Act National Emergency Grant funding for eleven Maine companies that have substantial downsizing – this funding will assist in training for hundreds of individuals affected by the actions.

During the reporting period, MDOL received a \$4.9 million award from the U.S. Department of Labor that will allow the state workforce agency to deliver training that leads to employment in a range of health care fields.

MDOL is continually enrolling participants in Workforce Investment Act programs. Through the reporting quarter 1,438 participants have been enrolled, including 1,423 low-income adults and 2,107 laid off workers. Additionally, 1,716 youth participants, including, 845 out-of-school youth have been enrolled in work experience to date.

Under Maine’s Bureau of Rehabilitation Services, the Division of Vocational Rehabilitation (DVR) has been embarking on a major initiative to eliminate its wait list for cost services and provide the “right service at the right time” to its consumers. DVR has been using a variety of tools and methods to complete this project. The use of Recovery Act funds has allowed DVR to fill positions to perform outreach activities, including contacting clients who have been on a waiting list or lost contact with our agency for the purpose of engagement in services and ultimately employment. Staff have also initiated major changes and streamlined the process for counselors and clients so that our services are provided more quickly, consistently across the state, and eventually in a more cost effective manner. On April 1st, 2010 DVR reached its first major milestone of this project by eliminating a wait list for all individuals coming to DVR who fall into our Category 1 status (people with the most significant disabilities). DVR has not been without a wait list since 2001, and is well on the way to reaching their ultimate goal of no waitlist for people, in any category by October, 1st, 2010.

Public Safety

Total Expenditures	\$1,570,460
Total Awards	\$7,572,815
Period Reported Jobs	34.5

The majority of Public Safety's expenditures to date are within the Byrne Justice Assistance Grant program. The funds will be used for Maine's statewide Multi-jurisdictional Task Force Program (comprised of the Maine Drug Enforcement Agency and the Office of the Attorney General Prosecution Support) and local initiatives to improve the state's capacity to prevent and control crime, administer justice, and assist victims.

STOP (Services, Training, Officers and Prosecution) Violence Against Women Program received just over \$1 million in Recovery Act funding to support communities in their efforts to develop and strengthen effective law enforcement and prosecution strategies to combat violent crimes against women and to develop and strengthen victim services in cases involving violent crimes against women. Maine Public Safety contracts with a number of providers to provide these services.

Additionally, Public Safety received a Recovery Act award to enhance internet crimes against children capacity by funding additional field forensic investigators (detectives) and extending the contract of a forensic computer consultant (examiner) to allow for additional, proactive Peer to Peer investigations and investigations initiated by referral.

Public Utilities Commission

Total Expenditures	\$1,154,142
Total Awards	\$39,265,843
Period Reported Jobs	19.53

The largest award the PUC received is the State Energy Plan (SEP) formula funds of \$27.3 million. Working with the Maine Legislature's Joint Select Committee on Maine's Energy Future, the PUC developed a comprehensive plan to invest these funds in energy projects throughout the state.

During the reporting period, the PUC announced a number of competitive opportunities accepting proposals, including business conversion projects, energy audits and residential weatherization. The first of these awards were made in early January of \$8.9 million in awards to 16 Maine companies through the Industrial Grant Program. These awards will allow the recipients to make substantial energy efficiency improvement, saving energy, reducing greenhouse gas emissions and supporting a significant number of workers through the improvements.

Additionally, in January a new benefit supported with Recovery Act funds available to all Maine homeowners who make energy efficiency improvements. By making eligible improvements in their homes, individuals can access rebates of up to \$3,000 and save between 25 percent and 50 percent on their home heating bill.

Economic and Community Development

Total Expenditures	\$1,003,051
Total Awards	\$3,443,007
Period Reported Jobs	9.4

The Department of Economic and Community Development administers the Community Development Block Grant (CDBG) for the State of Maine. CDBG received an award of \$3.4 million in Recovery Act funding. The Department will utilize the funding to support 8 projects proposed by communities throughout Maine, leveraging an additional \$12 million in investment.

Defense, Veterans & Emergency Management (DVEM)

Total Expenditures	\$885,385
Total Awards	\$1,105,500
Period Reported Jobs	3.8

DVEM, through the United States National Guard Bureau, received an award of \$1.1 million to conduct energy efficiency improvements and upgrades at Army National Guard facilities in Augusta, Bangor, Houlton and Portland. This funding supports 10 projects to be completed, with six projects already completed.

Agriculture

Total Expenditures	\$403,387
Total Awards	\$403,387
Period Reported Jobs	.44

The Maine Department of Agriculture received a total of \$201,839 to support the Temporary Food Assistance Program (TEFAP) for the distribution of the federal food commodity. The first award of \$102,771 for administrative funding was used to purchase a forklift for food distribution and the remainder was contracted to the Good Shepherd Food Bank for storage, distribution and administrative costs. Additionally, the Department also received an award of \$201,548 for eligible aquaculture producers who suffered losses from the high cost of feed during 2008.

Maine Arts Commission

Total Expenditures	\$268,449
Total Awards	\$293,100
Period Reported Jobs	9.23

The Maine Arts Recovery Grant provides funds to subsidize the preservation of jobs within nonprofit arts organizations. Over two grant award cycles, the Maine Arts

Commission awarded 25 grants out of a pool of 62 applications for a funding rate of 40%. The funds supported 25 arts organizations in 19 Maine communities.

Connect Maine Authority

Total Expenditures	\$100,095
Total Awards	\$1,784,500
Period Reported Jobs	4.72

The ConnectME Authority received a nearly \$1.8 million grant award to fund a mapping and planning project, creating the first comprehensive geographic inventory of high-speed Internet services statewide for use in identifying unserved and underserved areas and in planning expansion throughout the State. This project is crucial for administering future State public- and private-sector grants for broadband, creating opportunities for broadband service providers, the business community, public institutions, and the citizens of Maine.

State Planning Office

Total Expenditures	\$71,799
Total Awards	\$157,241
Period Reported Jobs	29.71

Goodwill Industries of Northern New England through the Maine Commission for Community Service, requested \$127,241 to work in partnership with Maine Campus Compact to implement an innovative, new program called the Maine Access Program (MAP). They will recruit and train recent Maine College graduates as AmeriCorps members to work full time for 11 months in Maine High Schools as advisors and mentors to close the gap between a student's desire to go to college and their actual enrollment.

Additionally, the office received a small Recovery Act award to provide program management and supervision for VolunteerMaine Recovery Act VISTA Project. With the VISTA award, the Maine Commission for Community Service supports an individual to oversee VISTA volunteers as they serve Maine organizations. During the reporting period, VISTA volunteers completed the equivalent of 23 AmeriCorps VISTA member Service Years (MSYs) and per federal guidance this total was reported as full time equivalent in the jobs reported to www.federalreporting.gov.

Conservation

Total Expenditures	\$70,953
Total Awards	\$11,424,000
Period Reported Jobs	2.97

The United States Department of Agriculture Forest Service awarded the Maine Department of Conservation \$11.4 million in Recovery Funding to convert public

building to wood heat. Funds will be awarded through a competitive grant process to Maine municipalities and school districts, with a preference to those in rural economically depressed counties - Aroostook, Franklin, Hancock, Penobscot, Piscataquis, Somerset, and Washington. All public building conversion projects are anticipated to be eligible, including schools, hospitals, municipal buildings, and state facilities within the eligible counties. During the first round of awards, the Department selected 5 recipients, with contracts to be issued in the coming weeks. A second round of applications will be commencing shortly.

Maine Attorney General's Office

Total Expenditures	\$42,289
Total Awards	\$42,289
Period Reported Jobs	0

The Attorney General's Office received additional funds through the Recovery Act to reimburse victims of violent crimes for crime related expenses and losses incurred. The Maine Victims' Compensation Program pays for out-of-pocket expenses and losses to or on behalf of individual victims of violent crime. Expenses and losses include medical, counseling, and funeral bills and lost income. Payments contribute to the economic health, and thereby job retention, of service provider businesses, individual victims, and the communities in which these victims and service providers live.

Governor's Office of Health Policy & Finance

Total Expenditures	\$3,910
Total Awards	\$6,599,401
Period Reported Jobs	1.02

This award received by the Governor's Office of Health Policy & Finance is a \$6,599,401 Cooperative Agreement with the Office of the National Coordinator to develop and implement a statewide health information technology plan. The intent is to build a health information exchange statewide with state government oversight to assure the security of the people's data is fully protected and that the investments promote a system that increases safety, improves quality, and eliminates health disparities.

Summary of Preliminary Reports

Concluding this overview of Maine's progress to date on implementing the American Recovery & Reinvestment Act of 2009 is a summary of our initial Section 1512 report submissions. Maine agencies submitted a total of 154 reports accounting for funding within reportable programs that flowed through state government. At this date, the information is still preliminary and will not be finalized until published by the Recovery Board on April 30th at www.recovery.gov.

We encourage you to visit the federal recovery site, as well as Maine's site at www.maine.gov/recovery. To make the data even more user-friendly, Maine's site has been significantly enhanced to include detailed mapping of expenditures and user initiated searching of Maine's data reported on 1512 submissions.

<i>Reporting Summary</i>		
<i>Number of Reports</i>	<i>Number of Agencies</i>	<i>Number of Direct Jobs Created</i>
154	17	1130.79

<i>Number of Reporting Entities</i>		
<i>Subrecipients</i>	<i>Vendors</i>	<i>Subrecipient Vendors</i>
416	810	261

<i>Financial Summary</i>		
<i>Total Award</i>	<i>Total Expenditures</i>	<i>Total Infrastructure Expenditures</i>
\$619,349,242.70	\$277,225,323.26	\$134,834,414.63

<i>Project Status by Report</i>	
<i>Project Status</i>	<i>Number of Reports</i>
<i>Fully Completed</i>	4
<i>Completed 50% or more</i>	82
<i>Less than 50% completed</i>	54
<i>Not Started</i>	14