

## President Signs Federal Stimulus Package: Funding Opportunities for Private Colleges and Universities

---

February 19, 2009

The "American Recovery and Reinvestment Act of 2009," signed on February 17 by President Obama, contains a number of provisions to benefit private colleges and universities and enhance access to higher education. Under the Act, funds are to be distributed through existing state and federal programs, allowing colleges and universities to receive funds quickly and reduce otherwise required increases in tuition and fees for students.

States will have to determine how to allocate funds between elementary and secondary education and higher education, depending on state needs. It is, however, important to note that language in the Act provides that state leaders consider all institutions of higher education equally when deciding where to direct funding. Private colleges and universities will be eligible for the same funding as public institutions.

The Act provides for the following investments in private colleges and universities:

- Fiscal stabilization dollars to sustain state funding for higher education at 2008 levels.
- Allocation of the state's share of stabilization dollars for public safety and other government services for institutions of higher education.
- Funds for technology upgrades and energy efficient improvements at colleges and universities.
- National Science Foundation dollars to renovate university science research facilities.
- National Institutes of Health dollars to renovate university research facilities and help universities compete for biomedical research grants.

The Act provides for the following investments to assist students with the cost of higher education:

- A college opportunity tax credit for families earning up to \$160,000 per year.
- Additional funds to support college work study programs.
- An increase in the Pell Grant maximum award to help students pursue higher education.

Of special note, any project funded directly or in part by the Federal Government pursuant to the Act must comply with prevailing wage requirements under the Davis-Bacon Act of 1931.