

President Signs Federal Stimulus Package: Funding Opportunities for Public 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 public colleges and universities and enhance access to higher education. Under the Act, funds are to be distributed through existing state and federal programs, allowing public colleges and universities to receive funds quickly and reduce otherwise required increases in tuition and fees for students.

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

- Fiscal stabilization dollars to sustain state funding for public higher education at 2008 levels.
- Allocation of the state's share of stabilization dollars for public safety and other government services for public institutions of higher education.
- Funds for technology upgrades and energy efficient improvements at public 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.

For public colleges and universities implementing bond issues, it is helpful to know that the Act emphasizes "shovel ready" projects, particularly those to improve technology and energy efficiency. We suggest that you consult with bond counsel on any projects that might be bond eligible.

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.