



**Economic Stimulus & Recovery
Special Report, Number 3**

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**American Recovery & Reinvestment Act of 2009:
Whether and Where States Are Accepting & Distributing Federal Stimulus Funds**

Nonprofits should be watching what your state governments are doing in terms of who receives and will be responsible for the stimulus funds flowing to your state from the federal government. In most states, the funds will flow to the Governor, but important differences exist in each state.

The American Recovery and Reinvestment Act of 2009, PL 111-5 ("Act" or "ARRA") directs that Federal funds to states and local entities will flow into each state through the Governor, who must certify that: "(1) the State will request and use funds provided by this Act; and (2) the funds will be used to create jobs and promote economic growth." Act, p. 189. If the Governor refuses to accept the money, then the state legislature can accept the funds. Act, p. 190.

News reports indicate that states are responding in different ways, meaning that nonprofits interested in applying for new grants and contracts need to know what is happening in their states, especially given the extremely tight time application deadlines. To help nonprofits, the National Council of Nonprofits prepared this evolving chart that may serve as a common frame of reference. To set the context, here is an excerpt from the National Governors Association's *State Economic Review* (Feb. 2009):

"Some states have created new divisions within or assigned special responsibilities to existing agencies related to ARRA oversight and distribution. These include overall coordination of spending, analyzing where funds may most effectively be spent and preparing recommendations to meet state needs. ... Several states already have established, or plan to establish, new agencies to oversee ARRA funds and coordinate distribution, while others have created new positions within state government to fulfill this function. ... Many of these new positions target specific areas. ... Other governors have appointed task forces, typically made up of state agency leaders, policy advisors, and state legislators — or some combination of these—to help develop strategies for disbursing funds; identify and target areas for spending; establish reporting systems; and recommend ways to promote transparency and keep the public informed of how funds are being spent."

<http://www.nga.org/Files/pdf/NGAECONREVIEW.PDF>

Also, the *New York Times* reported on February 21:

"A handful of Republican governors say they may reject portions of the federal stimulus money, raising objections from lawmakers, mayors and other critics that they are placing political ideology before the interest of constituents who need help and budgets with huge deficits. ... Gov. Mark Sanford of South Carolina, like [Louisiana Gov.] Bobby Jindal and Gov. Rick Perry of Texas is considered a potential candidate for the Republican presidential nomination in 2012." *New York Times*, "6 Governors May Reject Portions of the Stimulus" (Feb. 21 2009) http://www.nytimes.com/2009/02/21/us/21govs.html?_r=1&th&emc=th

NOTE: The following chart is based largely on media reports, so *the list is unofficial*. In the spirit of helping their communities, nonprofits are invited to forward any updates (providing both the date of the update and the source – whether a news report from the media or an official proclamation by a government) to info@ncna.org. We will update the chart periodically as a community service until we learn about a truly official listing, at which time we will share that resource.

Alabama	"Alabama Gov. Bob Riley, a Republican, has hired two former state finance officials to oversee the stimulus money." <i>USA Today</i> , "Pressure's on states deciding how to use stimulus" (Feb. 17, 2009) http://www.usatoday.com/news/washington/2009-02-17-states-stimulus_N.htm?csp=34
Alaska	"Alaska Gov. Sarah Palin, the former GOP vice presidential candidate, said in a statement Monday that state lawmakers should be careful about budgeting stimulus money because 'it's not fair to Alaskans to create expectations about programs that wouldn't be sustainable.'" <i>USA Today</i> , "Some governors might refuse funds" (Feb. 18, 2009) http://www.usatoday.com/news/washington/2009-02-18-gopstimulus_N.htm
Arizona	
Arkansas	
California	<p>"Some Republican governors, like Mr. Crist [Florida], Jim Douglas of Vermont and Arnold Schwarzenegger of California, supported the stimulus bill." <i>New York Times</i>, "Nation's Governors See a Dismal Economic Outlook and a Slow Recovery," (Feb. 22, 2009) http://www.nytimes.com/2009/02/22/us/politics/22govs.html?th&emc=th</p> <p>"Asked about Jindal's and Barbour's pledges to turn away stimulus funds aimed at expanding state unemployment insurance, California Gov. Arnold Schwarzenegger quipped, 'You just tell them that anyone that doesn't want to take the money: I'm ready to take their money and rebuild California.'" <i>Washington Post</i>, "At Meeting, Governors Share Plans for Stimulus Funds " (Feb. 22, 2009) http://www.washingtonpost.com/wp-dyn/content/article/2009/02/21/AR2009022101682.html</p>
Colorado	"In Colorado, 11 transportation commissioners will determine which projects to fund, based on recommendations from local governments and city planners. No vote of the Legislature is needed to spend the money." <i>USA Today</i> , "Pressure's on states deciding how to use stimulus" (Feb. 17, 2009) http://www.usatoday.com/news/washington/2009-02-17-states-stimulus_N.htm?csp=34
Connecticut	
Delaware	
District of Columbia	
Florida	"Some Republican governors, like Mr. Crist [Florida], Jim Douglas of Vermont and Arnold Schwarzenegger of California, supported the stimulus bill." <i>New York Times</i> , "Nation's Governors See a Dismal Economic Outlook and a Slow Recovery," (Feb. 22, 2009) http://www.nytimes.com/2009/02/22/us/politics/22govs.html?th&emc=th
Georgia	
Hawaii	
Idaho	"In Idaho, Gov. C. L. Otter has appointed an executive panel of five former state budget officers and three former governors to review requests for stimulus money from state agencies and the private sector." <i>New York Times</i> , "6 Governors May Reject Portions of the Stimulus" (Feb. 21 2009) http://www.nytimes.com/2009/02/21/us/21govs.html?_r=1&th&emc=th
Illinois	
Indiana	

Iowa	
Kansas	"Gov. Kathleen Sebelius has assembled a task force of state officials, including four appointed by the state legislature, to better prepare the state for ARRA funds." National Governors Association's <i>State Economic Review</i> (Feb. 2009) (page 2).
Kentucky	
Louisiana	<p>"Gov. Bobby Jindal of Louisiana announced Friday that he would reject a portion of expanded unemployment benefits that would eventually require the state to raise taxes on businesses. ... Mr. Jindal said he would reject \$98.4 million in federal incentives to expand unemployment coverage, or 2.5 percent of the \$3.8 billion that Louisiana stands to receive in all, on the grounds that it would force a change to state law to cover more unemployed people. Such a change would result in increased taxes when the federal money runs out, he said." <i>New York Times</i>, "6 Governors May Reject Portions of the Stimulus" (Feb. 21 2009) http://www.nytimes.com/2009/02/21/us/21govs.html?_r=1&th&emc=th</p> <p>"Democratic Mayor Ray Nagin of New Orleans vowed that he would get his share of the stimulus, even if his state's Republican governor, Bobby Jindal, tries to block it. Jindal has threatened to refuse the billions of dollars in stimulus money Louisiana is qualified for because he believes the economic stimulus package is a waste of money. Nagin suggested politics motivated Jindal's hard-line stand. 'He thinks he's been tapped as the up-and-coming Republican. He'll potentially run for it (the presidency) the next time it goes around. So he has a certain vernacular and a certain way he needs to talk right now,' he said." CNN, "Deadlines, partisanship won't keep mayors from federal dollars" (Feb 20, 2009) http://www.cnn.com/2009/POLITICS/02/20/obama.mayors.reaction/index.html?iref=24hours</p>
Maine	
Maryland	"'It's welcome news for Maryland and every state,' O'Malley said. 'I couldn't be prouder of President Obama and the Congress for what they've done.' O'Malley announced that the state would use its first wave of stimulus money to jump-start \$365 million in transportation work, including road resurfacing and bridge maintenance projects." <i>Washington Post</i> , "O'Malley: Stimulus Could Erase Layoffs, Restore College Funds" (Feb. 19, 2009) http://voices.washingtonpost.com/annapolis/2009/02/stimulus_could_erase_layoffs_c.html
Massachusetts	"Massachusetts Gov. Deval Patrick, a Democrat, named a local real estate developer to oversee bidding for the stimulus money. Patrick also set up a website with information on every project that receives the money." <i>USA Today</i> , "Pressure's on states deciding how to use stimulus" (Feb. 17, 2009) http://www.usatoday.com/news/washington/2009-02-17-states-stimulus_N.htm?csp=34
Michigan	"Gov. Jennifer M. Granholm (D) of Michigan, one of the nation's hardest-hit states, told CNN's John King that she would happily take stimulus funds that Republican governors reject. 'South Carolina, I'll take your money,' Granholm said. 'Louisiana, we'll take it. We've got plenty of work here, plenty of jobs that we'd like to create here.'" <i>Washington Post</i> , "GOP Governors Spar Over Stimulus Money" (Feb. 22, 2009) http://voices.washingtonpost.com/44/2009/02/22/gop_governors_spar_over_stimul.html
Minnesota	<p>"Minnesota Gov. Tim Pawlenty (R) criticized the bill as 'a meandering spending buffet,' but said his state is 'going to accept the money.'" <i>Washington Post</i>, "Republican Governors Torn Over Taking Stimulus Funds" (Feb 21, 2009) http://voices.washingtonpost.com/44/2009/02/21/republican_governors_torn_over.html</p> <p>"Gov. Tim Pawlenty appointed a Federal Stimulus Coordinator for the state." National Governors Association's <i>State Economic Review</i> (Feb. 2009) (page 2).</p>
Mississippi	"Some prominent Republican governors, including ... Mississippi's Haley Barbour ... said they will reject portions of the stimulus funding, putting them at odds with their GOP counterparts from such large states as California and Florida." <i>Washington Post</i> , "At Meeting, Governors Share Plans for Stimulus Funds " (Feb. 22, 2009) http://www.washingtonpost.com/wp-dyn/content/article/2009/02/21/AR2009022101682.html
Missouri	"Missouri Gov. Jay Nixon (D) said the stimulus package is "not just a Band-Aid on a problem. This is an opportunity to transform the economy." " <i>Washington Post</i> , "Republican Governors Torn Over Taking Stimulus Funds" (Feb 21, 2009) http://voices.washingtonpost.com/44/2009/02/21/republican_governors_torn_over.html

Montana	<p>"You can philosophize in D.C. all you want, but we in the states have to get things done," said Gov. Brian Schweitzer of Montana, the chairman of the Democratic Governors Association. "A governor's job is to deliver for people: to create good jobs, to keep criminals in prison, to educate children, to make sure we have decent roads. This recovery package does that." <i>New York Times</i>, "Nation's Governors See a Dismal Economic Outlook and a Slow Recovery," (Feb. 22, 2009) http://www.nytimes.com/2009/02/22/us/politics/22govs.html?th&emc=th</p>
Nebraska	
Nevada	
New Hampshire	<p>"New Hampshire Gov. John Lynch, a Democrat, tapped a former attorney general to manage the funds." <i>USA Today</i>, "Pressure's on states deciding how to use stimulus" (Feb. 17, 2009) http://www.usatoday.com/news/washington/2009-02-17-states-stimulus_N.htm?csp=34</p>
New Jersey	
New Mexico	
New York	
North Carolina	<p>The Governor reportedly has appointed a respected individual (former City Manager of Raleigh and former Secretary of the NC Dept of HHS) to oversee distribution of stimulus package funds.</p>
North Dakota	
Ohio	<p>"Ohio Gov. Ted Strickland, a Democrat, has retained a former U.S. diplomat as a temporary, unpaid 'infrastructure czar.' The Republican-controlled Senate, concerned that Strickland could bypass the Legislature, has drawn up a separate 'spending blueprint.'" <i>USA Today</i>, "Pressure's on states deciding how to use stimulus" (Feb. 17, 2009) http://www.usatoday.com/news/washington/2009-02-17-states-stimulus_N.htm?csp=34</p> <p>"Ohio Gov. Ted Strickland recently appointed an "Infrastructure Czar" to oversee federal stimulus funds related to infrastructure." National Governors Association's <i>State Economic Review</i> (Feb. 2009) (page 2).</p>
Oklahoma	
Oregon	
Pennsylvania	<p>"Pennsylvania Gov. Edward G. Rendell (D) called the debate among Republicans about accepting the stimulus money 'overblown.' 'Look, the argument's over, the fight's over,' said Rendell, chairman of the governors' association. 'The bill passed. Now if you're a governor, even if you disagreed with the bill, if the money's there and it will help your citizens get jobs, it will bring your citizens some extra health care or extra food stamps dollars, of course you're going to accept that money.'" <i>Washington Post</i>, "Republican Governors Torn Over Taking Stimulus Funds" (Feb 21, 2009) http://voices.washingtonpost.com/44/2009/02/21/republican_governors_torn_over.html</p>
Rhode Island	
South Carolina	<p>"You get this huge slug of money. It funds programs for a couple of years, and then what?" says South Carolina Gov. Mark Sanford, who heads the Republican Governors Association. 'You get it started, you get a constituency established, and then we're supposed to yank the rug out from under people when the federal money runs out?'"</p> <p>"Sanford said he and his staff were going "line by line" through the stimulus legislation to determine whether to reject any of the funding. He said it wouldn't be hypocritical to criticize the stimulus but accept the money." It's legitimate to say, absolutely, 'I don't like it. I do think it's bad policy. But I'm not going to further encumber the people I represent'" by rejecting the federal money, Sanford said." <i>USA Today</i>, "Some governors might refuse funds" (Feb.</p>

	18, 2009) http://www.usatoday.com/news/washington/2009-02-18-gopstimulus_N.htm
South Dakota	
Tennessee	
Texas	"Texas Gov. Rick Perry told the <i>Houston Chronicle</i> he feared federal money would have "mile-long" strings attached." <i>USA Today</i> , "Some governors might refuse funds" (Feb. 18, 2009) http://www.usatoday.com/news/washington/2009-02-18-gopstimulus_N.htm
Utah	"Gov. Jon Huntsman has tasked Utah's Office of Planning and Budget with coordinating preparations for distributing stimulus funds in the state." National Governors Association's <i>State Economic Review</i> (Feb. 2009) (page 2). "But other Republicans said that despite disagreements with the legislation, they would use the federal funds. Utah Gov. Jon Huntsman Jr. (R), asked about his colleagues' statements, said: "If you're gonna complain about it, don't take it. We're taking it, yes, and it's budgeted currently." <i>Washington Post</i> , "Republican Governors Torn Over Taking Stimulus Funds" (Feb 21, 2009) http://voices.washingtonpost.com/44/2009/02/21/republican_governors_torn_over.html
Vermont	"Some Republican governors, like Mr. Crist, Jim Douglas of Vermont and Arnold Schwarzenegger of California, supported the stimulus bill." <i>New York Times</i> , "Nation's Governors See a Dismal Economic Outlook and a Slow Recovery," (Feb. 22, 2009) http://www.nytimes.com/2009/02/22/us/politics/22govs.html?th&emc=th
Virginia	"Democratic Gov. Tim Kaine is taking a grass-roots approach, setting up a website seeking input from residents, local governments and community groups. Nearly 600 suggestions poured in on the first day." <i>USA Today</i> , "Pressure's on states deciding how to use stimulus" (Feb. 17, 2009) http://www.usatoday.com/news/washington/2009-02-17-states-stimulus_N.htm?csp=34
Washington	
West Virginia	
Wisconsin	"Gov. Jim Doyle created the Office of Recovery and Reinvestment." National Governors Association's <i>State Economic Review</i> (Feb. 2009) (page 2). "Under a budget bill fast-tracked to be passed as soon as Wednesday, lawmakers will decide whether to give that power [to decide how up to hundreds of millions of dollars in federal stimulus money for Wisconsin will be spent] to Gov. Jim Doyle and the co-chairmen of the Legislature's budget committee." <i>Wisconsin State Journal</i> , "3 Democrats from area may get key power" (Feb. 17, 2009; page A-1)
Wyoming	

Special Reports on Economic Recovery

This Special Report is one in a series prepared by the National Council of Nonprofits to help nonprofit leaders, grantmakers, policymakers, and the general public better understand the intersections between the nonprofit sector and our nation's economic recovery. To review the other Special Reports, go to www.councilofnonprofits.org/stimulus