



Federal Update

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Federal Update Outline

- “Cash for Clunkers” Program
- Fuel Cell Battery Funding
- Guantanamo Bay Prisoners to Michigan?
- Key Federal Issues for Townships
- Timely ARRA Grants for Townships

“Cash for Clunkers”

- Car Allowance Rebate System (CARS) originally authorized for \$4 billion only \$1 billion appropriated. Additional \$2 billion was approved last week by the Senate and signed into law by the president. Likely to result in 500,000 more vehicle sales.
- Provides consumers up to \$4,500 to trade in low-mileage vehicles for more fuel efficient vehicles.
 - Drivable vehicles made in the last 25 years.
 - Continuously insured by same owner for 1 year.
 - Fuel economy rating of no more than 18 MPG.
 - Sticker price of \$45,000 or less.
- Helps state automakers and increases sales tax revenue.

Federal Funding for Advanced Batteries

- VP Biden announced advanced battery grants last week.
- \$1.35 billion for MI companies out of \$2.4 billion total.
- Could bring 40,000 jobs over 11 years.
- Comes with state effort to provide \$700 million in refundable tax credits to encourage the development and manufacture of advanced batteries in Michigan. An additional \$280 million for the big three to integrate into engineering and assembly.
- Approx. 12 projects will be funded in MI including funds for cell, battery and materials manufacturing facilities; electronic drive component manufacturing facilities; advanced vehicle electrification; and advanced vehicle electrification & transportation sector electrification.

Guantanamo Prisoners to Michigan?

- President Obama looking to close Guantanamo soon.
- Maximum security prison in Standish seen as possible site. Site also being considered for CA prisoners.
- Sen. Levin in support if state officials agree. Gov. Granholm has now come out opposed.
- Issues
 - Jobs: Who would run facility, feds or state?
 - Security: Haven't had an escape in 19 year history. Last maximum security MI prison escape occurred in 2005.
- What will be the final outcome?

Key Federal Issues/Revenue Sharing

- Local Fiscal Assistance Act of 2009.
- H.R. 3007, introduced by Rep. Kanjorski of PA.
- Federal General Revenue Sharing (GRS) made \$83 billion of unrestricted funds available from 1972 to 1986. Last 6 years funds to locals only.
- Would provide \$30,000 billion per year for the next three fiscal years.
- Relies on same funding formula maintaining parity for all forms of local government.
- Each local community would receive approximately 6.5 times their amount from 1980-1986.

Revenue Sharing Cont.

- Used for priority expenditures: ordinary and necessary maintenance and operating expenses. Includes public safety, public transportation, health, recreation, libraries, social services, and environmental protection.
- Townships would need to submit report to the U.S. Treasury secretary stating amount of money received and how spent.

Key Federal Issues/Public Service Volunteerism

- Local Officials Tax Relief Act.
- H.R. 6603 and S. 2154 in 110th Congress, to be reintroduced in 111th.
- FICA tax exemption for local public officials compensated less than \$1,500 per year.
- Provide relief from administrative burden of figuring tax withholdings for small stipends paid to local officials.

Key Federal Issues/Energy Bill

- House & Senate both working on Climate Change legislation.
- American Clean Energy & Security Act H.R. 2454.
 - Renewable Energy Standard for utilities of 20 percent by 2020.
 - Cap & Trade System for Greenhouse Gas (GHG) Reductions: Require utilities, manufacturing industries, petroleum refiners and processors to reduce GHG emissions.
 - Carbon trading system would begin in 2012 with major goals established for each 10 year period.
 - Reductions of 17 percent by 2020 and 83 percent by 2050 using 2005 baselines.
 - Reduce emissions levels or purchase allowances from other sources to go beyond compliance levels.

Energy Bill Cont.

- Federal Standards & Mandates for Reducing Vehicle & Building Emissions:
 - Set new emissions reduction standards for vehicles.
 - Require MPO's to plan for reductions in vehicle miles & GHG emissions.
 - Require some type of payment for number of vehicle miles driven.
 - New standards for energy efficiency in buildings.
- Resources for Local & State Programs:
 - Devote as much as 10% of carbon trading proceeds for state and local governments. Could be \$10 billion annually.
- Climate Transition & Adaptation:
 - Provides for green jobs training and worker transition programs.

Key Federal Issues/Census

- Why is it Important?
 - Federal distributes \$300 billion to states and communities based in part on census data.
 - Census data provides local decision makers information where to build roads, hospitals, child-care and senior citizen centers, schools, etc.
 - Businesses use census data to locate supermarkets, housing and all types of commercial facilities.
 - Determines how many seats each state will have in the U.S. House.

Census Cont.

- Timeline:
 - Fall 2009: Recruitment begins for census takers.
 - Feb.-March, 2010: Questionnaires are mailed or delivered to households.
 - April 1, 2010: Census Day.
 - May-July 2010: Census takers visit households that did not return questionnaire.
 - Dec. 2010: Census Bureau delivers population counts to president.
 - March 2011: Census Bureau completes delivery of redistricting data to states.

America's Town Meeting 2009 Legislative Conference

- September 9-11, 2009
- Hyatt Regency Washington on Capitol Hill
- Wednesday-issue breakouts & guest speakers
- Thursday-federal funding session & meetings on Capitol Hill
- It's not too late to sign up!

ARRA Funding for Michigan

- ARRA signed into law February 17, 2009.
- Total cost: \$787.2 billion
 - \$575.3 billion (spending)
 - \$211.9 billion (tax cuts)
- Michigan to receive \$7.5 billion from spending category.
 - Approximately \$2.37 billion could be used to help fill budget shortfalls for 2009, 10, & 11 fiscal years.
 - Another \$1.3 billion available for K-12 and higher education.
 - \$3.8 billion in restricted funds such as transportation, special ed, worker training, weatherization, unemployment insurance, food stamps & at-risk students.
- Other monies available to local units of government through formula and competitive grants.

Broadband Grants

- ARRA provided \$7.2 billion under two federal programs: Department of Agriculture's Rural Utilities Service (RUS) (\$2.5 billion) and the Dept. of Commerce's National Telecommunications Information Administration (NTIA) (\$4.7 billion).
- Purpose: Expand broadband access to unserved and underserved communities, increase jobs, spur investment in technology and infrastructure and provide long-term economic benefits.
- Provide grants and loans for broadband infrastructure projects in rural areas.

Broadband Cont.

- Broadband Initiatives Program (BIP)
- Facilitate the deployment in rural areas <20,000
- Priority given to:
 - Give end users a choice of providers.
 - Serve the highest proportion of rural residents lacking access.
- Broadband Technology Opportunities Program (BTOP).
 - Fund projects that provide broadband services to customers residing in unserved & improve access to those in underserved areas.
 - Priority to projects that offer potential for economic growth and job creation and provide benefits to education, healthcare, & public safety.

Broadband Cont.

- Two Non-Infrastructure BTOP Programs:
 - Public Computer Centers.
 - Sustainable Broadband Adoption: increase home subscribership to broadband services.
- State of Michigan wants to pool resources to help fund \$2 billion in identified need.
- State envisions a three-legged approach:
 - Build a fiber-optic superhighway & off/on ramps.
 - Build local networks through regional (county) cooperation to develop access to state core superhighway. Locals include governments, schools, libraries, public safety, hospitals, community colleges, etc.
 - Provide lower cost access to citizens, businesses and public entities in unserved and underserved areas.

Broadband Grants Cont.

- Most applications will likely be submitted by private providers working cooperatively with local units of government.
- Applications accepted July 14 thru August 14. Go through federal government.
- Web site details: www.broadbandusa.gov.

Energy Efficiency & Conservation Block Grants (EECBG)

- Goal: Fund projects that reduce energy use and fossil fuel emissions and that improve energy efficiency. To further spur economic growth and create or retain jobs.
- Total \$3.2 billion, nearly \$2.7 billion through formula grants and \$455 million through competitive grants.
- Michigan allocation: \$76.6 million with \$57.6 million going directly to 69 Michigan communities and tribes for energy and conservation efforts. Those entitlement communities and tribes still must submit plan to DOE.
- \$19.6 million to non-entitlement communities and for state use. \$11.7 million to small cities/townships/counties, which are communities less than 35,000/200,000 in population.

EECBG Grants Cont.

- Workshops were conducted the week of July 20 for non-entitlement communities interested in applying.
- Michigan application approval by DOE/August.
- State of Michigan RFP and guidance document is expected to be issued in August or early September.
- Two-week period for communities to e-mail questions to the energy office.
- Applications due 30 days from release of RFP.
- Awards announced 30-45 days following due date.

Energy Grants Cont.

- Selection Criteria includes:
 - Energy efficiency/cost effectiveness/BTU's saved
 - Job creation/retention 1 per \$92,000 invested
 - Reducing green house gas emissions
 - Leverage/maximizing funds
 - Community population served by plan/proposal
 - Project management and accountability

Energy Grants Cont.

- Minimum grant is \$50,000. Small communities should work together to reach minimum level.
- Grants amounts:
 - Individual cities and townships \$50,000-\$140,000
 - Counties \$50,000-\$650,000
 - Multi-Jurisdictional \$50,000-\$650,000
 - LED/Solid state lighting demos \$50,000-\$250,000