



Welcome to the inaugural edition of the *State & Local Government Pipeline*, your source for government news and contracting opportunities. This publication is a free, national, electronic newsletter that will provide timely news about the federal economic stimulus bill, national trends, budget updates, planned initiatives and breaking news.

We hope you'll share your copy with friends, co-workers and associates! And, I hope you will give me a call sometime in the near future. Everyone on the team at Strategic Partnerships, Inc. (SPI) is a former government executive and we're totally committed to good partnerships between the public and private sectors. Who are we? Click [HERE](#).

**Mary Scott Nabers**  
President/CEO  
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## More 'bang' for transportation bucks

### Construction competition leads to more - and lower - bids

#### LaHood says cost savings must be used for other transportation projects

The nation recently celebrated the 2,000th project funded from the \$48.1 billion allocated for transportation infrastructure from the American Recovery and Reinvestment Act (ARRA). That project, a \$68-million widening from four to six lanes of an interchange on I-94 in Kalamazoo County, Michigan, is already creating jobs and increasing available government contracts.

Transportation funding from the \$787 billion ARRA has been going further than anticipated. Many of the projects are "ahead of schedule and under budget," according to President Barack Obama.

Construction firms, many of which are turning to the public sector marketplace for the first time, and many veteran government contractors are in stiff competition to secure current contracts and those funded by ARRA. The result is more - and lower - bids.

But U.S. Transportation Secretary Ray LaHood this week sent a letter to the nation's governors and state transportation department officials reminding them that any money they save on transportation projects funded by ARRA money must be used for additional transportation projects.

"Savings you accrue from awarding low bids, and from reduced construction costs due to your oversight and project management should remain in your state to be spent on other eligible transportation projects," LaHood said in the letters. In some cases, because of competition for the work and the low price of petroleum, bids are anywhere from 10-30 percent lower than expected. Some examples of how recent construction projects are coming in under bid, some of which are funded by the ARRA, include:

- In Pennsylvania, Northampton Community College officials received 14 bids for a science lab upgrade budgeted at more than half a million dollars. The low bid came in at almost half that estimate.
- In Texas, the city of Addison had an unheard of 20 bidders respond for a park project, with the low bid more than 25 percent below the city's original estimate. Seven construction projects in Victoria have come in \$5.3 million under budget. And in Sherman, the city is reporting some low bids on projects more than 50 percent less than expected.
- In Maryland, a Carroll County drainage project drew 21 bidders.
- In Connecticut, a parkway project final bid of \$66.6 million was approved, \$8.4 million less than budgeted.
- In Colorado, the first five stimulus transportation project bids came in an average of 12 percent lower than expected.

Other states are reporting record numbers of bids and low bids coming in from 10-50 percent below budget. Many contractors are taking on projects they have not taken on in the past and many are crossing state lines to keep up their business. With projects coming in under budget, those funded with federal stimulus dollars are going further than anticipated, too, meaning even more projects can be funded by state and local governments. The result is more bang for transportation bucks nationwide.

## High-speed rail proposal would spur economic development

### Aimed at reducing country's dependence on foreign oil, cars, planes

Transforming travel in the United States via a network of high-speed rail lines from city to city is the goal of President Barack Obama's recently announced [strategic plan](#) for high speed rail. The proposal is aimed not only at reducing the nation's dependence on motor vehicles and airplanes and thus on foreign oil, but also on stimulating economic development.

The plan would use \$8 billion in federal economic stimulus funding and \$1 billion per year for five years sought in the federal budget to spur a world-class passenger rail system. Detailed guidance for state and local applicants will soon be announced, with plans to award the first round of grants by late summer. Ten high-speed rail corridors are identified as potential recipients of the federal funds: California, Pacific Northwest, South Central, Gulf Coast, Chicago Hub Network, Florida, Southeast, Keystone, Empire and Northern New England. A Washington-to-Boston corridor will also be eligible to compete for funds. States and local communities are encouraged to draft plans for a network of 100- to 600-mile corridors. The proposal would create new corridors for world-class high-speed rail as well as make train service along existing rail lines incrementally faster.

"A major new high-speed rail line will generate many thousands of construction jobs over several years, as well as permanent jobs for rail employees and increased economic activity," said Obama in announcing his proposal. Funding will be for "ready to go" individual projects, for entire phases or geographic sections of corridor programs and for entering into cooperative agreements for planning activities with non-stimulus-appropriated funds.

## Follow the money

### HHS announces \$1B for CSBG program

The U.S. Department of Health and Human Services has announced \$1 billion in ARRA funding that will provide new resources for Community Service Block Grants throughout the country. The funds may be used to reduce poverty, revitalize low-income communities and assist low-income families in becoming self-sufficient. The funds can provide services for addressing employment, education, housing, nutrition and emergency services. To see how much has been allocated to each state, click [HERE](#).

### DOE announces State Energy Program funding

The U.S. Department of Energy (DOE) State Energy Program (SEP) will distribute \$3.1 billion to the states under the American Recovery and Reinvestment Act. To view the breakdown by state, click [HERE](#).

### GSA releases list of stimulus bill project funding

The General Services Administration has released its listing of nationwide projects that will benefit from the ARRA. The funding will be used to convert federal buildings into high-performance green buildings, renovate and construct Federal buildings and courthouses across the country and renovate and construct land ports of entry. To view the funding by state, click [HERE](#).

### More education money made available

An additional \$108.8 million in education funding for targeted students and communities has been made available through the ARRA. This is in addition to \$44 billion in funding announced April 1. These funds include \$39.6 million in 180 Impact Aid Construction grants for communities with military bases, Indian reservations and other federal property that do not generate local tax revenues. Another \$69.2 million in 52 Homeless Children and Youth grants is aimed at helping states and school districts meet the educational and related needs of homeless students. The formula-based Impact Aid Construction grants can be used to repair and modernize schools and alleviate overcrowding. State agencies will receive the Homeless Children and Youth funds by formula and may distribute them to districts via formula or competitive process.

### NIH offers new research funding opportunities

Approximately \$200 million in large-scale research project grant funding is being made available through the National Institutes of Health as part of the American Recovery and Reinvestment Act. The projects to be funded must have a high likelihood of enabling growth and investment in biomedical research and development, public health and health care delivery. Dubbed "Grand Opportunities," the short-term funded projects are expected to be the cornerstone for new fields of scientific inquiry. The grants will support large-scale research projects that speed critical breakthroughs, early and applied research on cutting edge technologies, and new ways to forge partnerships among research teams.

For information about these and other funding opportunities, contact Reagan Weil or Richard Hartmann at 512-531-3900.

## Stimulus news briefs

### Wisconsin will track jobs as well as funds

Residents of Wisconsin not only will be able to track federal stimulus dollars flowing to their state, but they also will be able to track jobs made available by those stimulus dollars. Gov. Jim Doyle this week signed an executive order requiring all contractors and subcontractors involved in stimulus projects to post their job openings online on the state Department of Workforce Development's [jobcenterforwisconsin.com](#).

### Miami moving forward with 'smart grid'

City of Miami officials are hoping for federal stimulus funds to purchase "Smart Meters" for their electric customers as the city moves toward becoming one of the first in the country to implement a "smart grid" for promoting energy efficiency and renewable energy sources. The meters are wireless devices that allow residents or business owners to gauge their electricity usage. Hundreds of jobs are expected to be created by the new technology. There is \$3.3 billion available in federal stimulus funding for smart grid technology.

### Construction: Jobs, jobs, jobs

The Associated General Contractors of America estimates that the federal economic stimulus bill will fund 650,000 construction jobs and 300,000 additional jobs related to materials and equipment supply. Employees including heavy equipment operators, masons and carpenters and others will be among the thousands whose skills will be in high demand for construction projects.

### Colorado bill would make financing projects cheaper

The Colorado Legislature is debating a bill that will help cities, counties, school districts and other local agencies sell bonds easier to finance infrastructure projects to be funded by the federal economic stimulus bill. The federal stimulus bill creates new federally subsidized bond programs that allow governments to finance projects at a lower rate of interest. The Colorado bill allows local authorities to use such a bond program, which officials say could save \$250 million.

### Favoritism in Illinois? Not so, says LaHood

President Barack Obama's home state of Illinois may have garnered more federal stimulus funding for road and bridge projects than any other state, but officials say the \$600 million in funds came as a result of the state having an unusually large number of "shovel ready" projects - not because it is Obama's home state. U.S. Transportation Secretary Ray LaHood said because the state was never able to pass a capital budget during the six-year tenure of former Gov. Rod Blagojevich, these projects were "sitting on a shelf, ready to go." The money will fund 250 projects and is expected to generate up to 9,000 jobs.

### Johnson chosen new GSA administrator

There will be a new face overseeing the distribution of the more than \$5.5 billion in General Services Administration (GSA) federal stimulus bill funding to the states. Martha Johnson was recently named by President Barack Obama as administrator of the GSA. Johnson is a former GSA chief of staff and was vice president of two private sector companies. She also is a former assistant deputy secretary in the U.S. Department of Commerce, Office of the Deputy Secretary. She also is a former search manager for the Office of Presidential Personnel. Johnson replaces Paul Prouty, who has been serving as acting administrator since January.

### Governors can apply for education stabilization funds

Governors are putting together their applications for part of an additional \$53.6 billion in ARRA education dollars to help stabilize their budgets. [Online applications](#) are available for sharing the \$26.6 billion available for pre-K through higher ed money and \$6 billion in discretionary funds for public safety, other government services or education. The funds should flow from the U.S. Department of Education within two weeks of a request's approval. Officials of the federal agency remind those states applying that they will not be eligible for more stabilization funds if they do not come up with innovative and creative ways to use their initial funds to improve education. To qualify, schools in each state must commit to setting high academic standards, improving teacher quality, reversing low-performing schools and using more comprehensive data systems. If they do not show improvement, they will not qualify for subsequent stabilization funds or incentive funds.

### California appoints first Inspector General

Always moving a little faster than the rest of the country, California recently became the first state to appoint an Inspector General to watch over the ARRA funds that flow through the state. Gov. Arnold Schwarzenegger appointed Los Angeles City Controller Laura Chick to the post to ensure accountability for California stimulus fund spending.

### Funds can help pay for states' reporting costs

The federal government requires states to set up Web sites for tracking federal stimulus spending to ensure transparency and accountability. Some state education officials note that the federal government will allow states to use some of the State Fiscal Stabilization Funds to pay for the cost of reporting spending details to the federal government.

## What the states are doing

**Wisconsin** arts organizations will benefit from federal stimulus funds for the Wisconsin Arts Board that will be used to preserve jobs at some local arts organizations. One-time grants of \$10,000, \$15,000 and \$25,000 will be available to help local organizations retain staff. The funds are part of the National Endowment for the Arts' \$50 million in stimulus funding, some \$20 million of which will be going directly to the states.

**Florida's** Legislative Budget Commission has approved \$4 billion in spending of federal stimulus bills for the current budget year, using \$1.9 billion in Medicaid funding to help reduce the state's budget deficit. Using federal funds means \$913 million in state funds earmarked for Medicaid can be used for other state spending. Other major stimulus allocations in the state this year include \$1.4 billion for transportation and \$580 million for education.

**Alaska** is accepting only 55 percent of its available stimulus funds, all for capital projects. Alaska state agencies will receive approximately \$930.7 million, with \$262.6 million for transportation and aviation projects.

**Oklahoma** is dedicating \$13 million in stimulus funds to dam repairs in that state, the largest project being a \$4.1 million project at Sallisaw Creek 18 dam near Stillwell.

**Alabama** will benefit from the jobs and contracting opportunities when the General Services Administration spends \$42.5 million to convert the 88-year-old federal courthouse in Birmingham into a "green building." It is part of \$5.5 billion the GSA has to spend on federal buildings and property throughout the country. Two other federal courthouses in the state also are in line for funding - The John A. Campbell Courthouse in Mobile will receive \$2.6 million in federal funds and the Frank Johnson Courthouse Annex in Montgomery has been allocated \$11.3 million.

**Texas** public schools will benefit from more than \$1 billion in low-cost or no interest bonds through the federal Qualified School Construction Bond Program. Forty percent of the bonding capacity is directed to the 100 largest school districts in the country, based on Title I enrollment. Eighteen of those districts are located in Texas and are eligible to issue bonds totaling \$465.9 million. The remaining \$538.6 million and any unused allocations from the larger districts will be available to other Texas districts. Some of the larger allocations include \$94 million for Houston ISD, \$73 million for Dallas ISD, \$25.6 million for Brownsville ISD, \$31 million for Fort Worth ISD, \$30 million for San Antonio ISD and \$29 million for El Paso ISD.

**New York** will use \$253 million in affordable housing grants to preserve existing affordable housing units and construct new units. The three-bedroom projects there will include rehabilitation of a 80-unit complex in Albany, a 388-unit in Syracuse, 20 first-nine room homes in Rochester and a YWCA Residence for Women in Westchester County.

**Ohio** state officials are hoping to use \$57 million of their economic stimulus funds for planning and preliminary studies for highway projects in the future instead of "shovel ready" projects today. Although the proposal has not been approved by the Federal Highway Administration, agency officials say they know of no other states seeking to use stimulus dollars for planning.

**Arizona** has released bids for 14 Department of Transportation projects, all of which should be under construction by the summer. They include a \$43.2 million widening of I-10, \$8.6 million in safety improvements to State Route 87, numerous repaving projects and repairs to highway decks. Twenty-seven other projects will be advertised in the near future.

**Michigan** is seeing state revenues falling at a rate of \$100 million per month below January expectation. Thus the state is looking at having to use all of the federal stimulus bill discretionary money to fill gaps in the budget for the coming year.

**California** is never short on ideas. Six cities there - San Leandro, Alameda, Berkeley, Fremont, Livermore and Union City - plan to pool their resources to apply jointly to the state for federal stimulus money. Together, they have a total of \$2.3 million which could be used to purchase property such as a vacant apartment building to redevelop, sell or rent. California received only \$145 million to distribute to cities and counties that individually did not qualify for federal funds.

## Other national news

### FEMA announces FY 2009 Preparedness Grant allocations

Although not from federal stimulus funds, the Federal Emergency Management Agency (FEMA) recently announced Fiscal Year 2009 Preparedness Grants final allocations. With this funding, more than \$26.7 billion in such funds since 2003 will have been spent assisting state, local and tribal governments and private industry in strengthening community preparedness across the country. The money funds 10 federal grant programs. Grant allocations for FY 2009 include:

- **Transit Security Grant Program** - \$388.6 million to protect transit infrastructure from terrorism; \$15M for Freight Rail Security Grant Program for security plans, vulnerability assessments, employee security awareness training and GPS tracking systems for railroad cars carrying toxic materials. Another \$25 million for Amtrak to protect transportation infrastructure and the traveling public.
- **Intercity Bus Security Grant Program** - \$11.7 million for security plans, facility security upgrades and vehicle and driver protection.
- **Trucking Security Program** - \$2.2 million to implement security improvement measures and policies with equipment and systems related to tractor and trailer tracking systems; to develop a system to monitor, collect and analyze tracking information; and to develop plans to improve moving and distributing supplies and commodities during catastrophes.
- **Port Security Grant Program** - \$388.6 million to protect critical port infrastructure and protect against improvised explosive devices and other non-conventional weapons, and to conduct training and exercises and support implementation of the Transportation Worker Identification Credential.
- **Buffer Zone Protection Program** - \$48.6 million to increase preparedness through planning and equipment acquisition for jurisdictions that safeguard critical infrastructure sites and key resource assets, such as chemical facilities and nuclear power plants.
- **Emergency Operations Center Grant Program** - \$33 million to support construction or renovation of a state, local or tribal government's principal EOC.
- **Interoperable Emergency Communications Grant Program** - \$48.6 million for planning, training, exercises and to carry out initiatives and improve interoperable emergency communications.
- **Driver's License Security Grant Program** - \$48.6 million to prevent terrorism, reduce fraud and improve the reliability and accuracy of personal identification documents for states and territories.

## Calendar of Events

### Free DOE Webcast today addresses brownfield projects

The U.S. Department of Energy is offering a Webcast today, Wednesday, from 3 to 4:15 p.m. (EST) on how to develop renewable energy projects on contaminated or old industrial sites. The interactive "Taking It from Brown to Green: Renewable Energy on Contaminated Lands" will deal with how to identify brownfield sites where renewable energy projects are feasible and about tools to support project development. The Webcast is free, but [registration](#) is required in advance.

### Calling all Information Technology experts

Beginning Monday, April 27, the federal Recovery Accountability and Transparency Board and the Office of Management and Budget will join with the National Academy of Public Administration for a national dialogue online. The goal is to ask the nation's vendors, consumers and IT gurus how to make the federal Web site, recovery.gov, a reliable source for citizens to monitor the use of recovery funds. Those in the IT community will be able to recommend, discuss and vote on the best ideas and tools to help make the recovery spending more transparent. Web link information will be available soon at [recovery.gov](#).

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## All 50 states have own recovery Web sites

All 50 of the states and the District of Columbia now have their own "recovery" sites where citizens can track where ARRA dollars are being spent in their respective states. The states are charged with ensuring accountability and transparency in how the funds are spent and their Web sites show the projects being funded and the amount of ARRA funds allocated. For links to each of the state and District of Columbia recovery Web sites, click [HERE](#).

## The American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act is an unprecedented infusion of \$787 billion into a flailing United States economy. The ARRA is designed to create or save millions of jobs and to address pressing needs throughout the country, from education to infrastructure. To view the bill as passed by the U.S. House and Senate and signed by President Barack Obama, click [HERE](#).

## Procurement consulting and advocacy services

Strategic Partnerships, Inc. (SPI) and MultiState Associates Inc., the leading companies in the state and local government procurement and government relations world, have teamed to offer a timely client-customized service that helps companies find and capture state and local government contracts arising from the recently enacted federal stimulus package.

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