

**March 27, 2009**

## **CONNECTICUT UPDATE THE AMERICAN RECOVERY & REINVESTMENT ACT OF 2009**

As Connecticut continues to lose jobs to a global recession and state revenues fall in every major category, the first allocations of the \$787 billion federal stimulus package has started to trickle down to the state. The following is a review of the efforts undertaken and the initial allocations of stimulus funding to Connecticut in the five weeks since President Obama signed the American Recovery Reinvestment Act.

### **Governor Rell's Recovery Working Group**

To review proposed infrastructure projects, coordinate state agency efforts and formalize stimulus package procedures, Connecticut Governor M. Jodi Rell, in February, created a group of state agency representatives and key stakeholders to assist in the allocation of the state's federal stimulus dollars.

Members of the Working Group are:

**Joan McDonald**, Commissioner, Department of Economic and Community Development

**Joseph Marie**, Commissioner, Department of Transportation

**Raeanne Curtis**, Commissioner, Department of Public Works

**Gina McCarthy**, Commissioner, Department of Environmental Protection

**Patricia Mayfield**, Commissioner, Department of Labor

**Michael Cicchetti**, Deputy Secretary, Office of Policy and Management

**Mary Anne Hanley**, Director, Office of Workforce Competitiveness

**Jeffery Parker**, Deputy Commissioner, Department of Transportation

**David O'Hearn**, Deputy Commissioner, Department of Public Works

**Peter Simmons**, Department of Economic and Community Development

The Government Affairs Group at Murtha Cullina LLP is pleased to provide information about current topics of interest.

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**Donald DeFronzo**, State Senator, General Assembly - Senate Democrats

**Carlo Leone**, State Representative, General Assembly - House Democrats

**Paul Pimentel**, General Assembly - Senate Republicans

**George Gallo**, General Assembly - House Republicans

**James Finley**, Executive Director/CEO, Connecticut Conference of Municipalities

**Bart Russell**, Executive Director, Connecticut Council of Small Towns

**Donald Shubert**, President, Connecticut Construction Industries Association

**John Olson**, Connecticut Employment and Training Commission

To date, the Working Group has reviewed over 2,000 separate stimulus funding applications totaling an estimated \$11 billion. This amount has been narrowed down to \$6 billion in viable projects.

## **Roads, Bridges and Transportation**

### **Roads and Bridges**

The Governor's Working Group has approved \$363 million in road, bridge and transportation projects from the state's federal stimulus allocation. These projects have been determined to be "shovel ready" and work on each is expected to begin this spring.

- Trumbull/Fairfield: Merritt Parkway safety improvements, resurfacing, bridge improvements - \$70.8 million
- Branford: Reconstruction of Route 1 Amtrak Bridge - \$73 million
- Statewide: Resurfacing - \$18.8 million
- Northwestern Connecticut: Joint replacement on various bridges - \$5 million
- Enfield: Rehabilitation of the Route 5 Bridge over I-91 - \$7 million
- Westport: Rehabilitation of Hales Road Bridge over Metro-North rail lines - \$4 million
- Old Saybrook: Replace joints on Baldwin Bridge on I-95 over Connecticut River - \$5 million
- Ashford: Rehabilitate Route 89 Bridge over Mount Hope River - \$1.45 million

- Statewide: Repair/replace overhead sign supports at 20 locations - \$5.6 million
- Manchester: Install traffic control signal at Slater Street/Circuit City driveway intersection - \$300,000
- Statewide: State Traffic Commission - required traffic signal installation \$7 million
- Statewide: Roadside safety improvements - \$4 million

### **Bus Projects**

- Statewide: Bus procurement, replacement and upgrade - \$70 million
- Statewide: Commuter park and ride lot improvements - \$2 million
- Bridgeport: Greater Bridgeport Transit bus engine rehab - \$2.8 million
- Norwalk: Transit District safety and security improvements - \$1.5 million
- Windham: Transit District bus storage facilities - \$270,000

### **Rail Projects**

- Danbury: Install control and signalization on Danbury line - \$30 million
- New Haven: Support construction of service and maintenance shop- \$30 million
- New Haven: New Haven line station improvements - \$10 million
- Branford: Expansion of Shoreline parking expansion - \$5.4 million

### **Transportation Enhancements**

- Southington: Bikeway extension - \$3.35 million
- East Hartford/ Manchester- Improve sections of I-84/ I-384 trail - \$2 million
- Stonington: Streetscape improvement - \$910,000
- Torrington: Stillwater greenway project - \$900,000
- Stratford: Housatonic River greenway project - \$750,000
- Darien: Noroton Heights Station improvements - \$400,000
- Mansfield: Birch Road bikeway project - \$300,000
- Burlington: Trail improvements - \$249,219
- New Fairfield: Town Center pedestrian and streetscape improvements - \$210,000

In a separate Federal stimulus allocation, Vice President Biden announced a \$1.8 billion national Amtrak upgrade package that includes \$105 million to replace a 102-year-old rail bridge that crosses the Niantic River near East Lyme, Connecticut. In addition, on March 26, Amtrak announced it will spend another \$35 million to fix or rebuild rail bridges in Stonington, East Lyme and Madison.

## Clean Water Projects

Governor Rell announced the receipt of \$48.5 million in federal stimulus funding to expand the state's effort to support municipal clean water projects. First to receive partial funding under the stimulus program are projects in South Windsor, New Milford and Stafford to modernize wastewater treatment plants and add technology to remove nitrogen from wastewater.

Total costs for each project\*:

South Windsor:	\$47 million
New Milford:	\$39.6 million
Stafford:	\$12.5 million

\*Total costs reflect stimulus funding, state loans and a municipal match.

## Unemployment Assistance

Since passage of the American Recovery and Reinvestment Act, Connecticut has qualified to receive approximately \$88 million in extra federal assistance to help the unemployed. The new law extends additional benefits to the jobless by 33 weeks and continues this program through December, 2009. The new law also boosts unemployment benefits by \$25 per week and suspends federal taxation on the first \$2,400 of these benefits.

## Lead Hazard Reduction

Connecticut received more than \$7 million in stimulus funding from the U.S. Department of Housing and Urban Development to undertake comprehensive programs to identify and control lead-based paint hazards in eligible privately owned rental or owner-occupied housing. The following recipients received funding under this program:

- Connecticut Children's Medical Center, Hartford, \$875,000
- City of New London, \$2 million
- City of Norwich, \$1.69 million
- City of Waterbury, \$3 million

## Community Development Block Grants

The federal stimulus package includes an additional \$1 billion in Community Development Block Grants to be allocated to local governments by the Department of Housing and Urban Development. These grants may be used for a wide range of activities in support of affordable housing, the prevention or elimination of slums or blight and to address conditions that

may pose a threat to the health and welfare of communities. The total allocation to Connecticut from this grant program is over \$11 million distributed as follows:

State of Connecticut	\$3,616,527
Bridgeport	\$883,094
Bristol	\$163,138
Danbury	\$168,222
East Hartford	\$172,507
Fairfield	\$144,535
Greenwich	\$251,004
Hamden	\$141,441
Hartford	\$1,028,157
Manchester	\$176,939
Meriden	\$244,198
Middletown	\$110,460
Milford	\$141,302
New Britain	\$505,078
New Haven	\$990,070
New London	\$239,666
Norwalk	\$253,689
Norwich	\$269,000
Stamford	\$303,817
Stratford	\$182,509
Waterbury	\$608,548
West Hartford	\$294,083
West Haven	\$194,409

### Law Enforcement

The federal stimulus package provides \$2 billion nationally through the Edward Byrne Justice Assistance Grant program to prevent and control crime and improve the criminal justice system through:

- Law enforcement programs
- Prosecution and court programs
- Prevention and education programs
- Corrections and community corrections programs
- Drug treatment and enforcement programs
- Planning, evaluation, and technology improvement programs
- Crime victim and witness programs

Grants allocated in Connecticut are based on a formula of population and violent crime statistics. Sixty percent of the allocation is awarded directly to the state and 40 percent is being awarded to municipalities. The total allocated to these entities is \$20,593,268, broken down as follows:

State of Connecticut	\$12,479,843
Ansonia	\$26,871
Berlin	\$18,147
Bloomfield	\$55,837
Branford	\$36,294
Bridgeport	\$1,612,284
Bristol	\$172,047
Clinton	\$15,704
Cromwell	\$13,959
Danbury	\$141,686
Darien	\$17,798
Derby	\$15,704
East Hartford	\$225,092
East Haven	\$34,549
East Windsor	\$21,288
Enfield	\$69,098
Fairfield	\$36,992
Farmington	\$14,657
Glastonbury	\$18,496
Greenwich	\$23,033
Groton, City of	\$23,033
Groton, Town of	\$22,684
Guilford	\$24,778
Hamden	\$103,996
Hartford	\$1,529,576
Manchester	\$140,639
Meriden	\$202,757
Middletown	\$58,280
Milford	\$79,567
Naugatuck	\$22,684
New Britain	\$354,563
New Haven	\$411,098
New London	\$105,392
New Milford	\$20,241
Newington	\$24,080
North Branford	\$16,402
North Haven	\$21,288
Norwalk	\$328,390
Norwich	\$187,053

Plainfield	\$16,053
Plainville	\$22,684
Plymouth	\$15,355
Putnam	\$22,684
Rocky Hill	\$25,475
Seymour	\$39,784
Shelton	\$21,288
South Windsor	\$18,496
Southington	\$27,220
Stamford	\$374,106
Stratford	\$115,163
Torrington	\$97,714
Trumbull	\$17,100
Vernon	\$53,743
Wallingford	\$38,039
Waterbury	\$429,942
Waterford	\$42,226
Watertown	\$24,080
West Hartford	\$113,418
West Haven	\$192,986
Westport	\$13,959
Wethersfield	\$34,549
Winchester	\$20,241
Windham	\$52,347
Windsor Locks	\$12,912
Windsor	\$26,173

### Public Housing

Under the stimulus package, the Department of Housing and Urban Development has awarded grants to thirty-four municipal housing authorities to help modernize and develop public housing, with priority consideration given to the rehabilitation of vacant rental units and capital projects that are already underway or included in a five-year capital plan. Funds cannot be used for operations or rental assistance. The following housing authorities in Connecticut will receive capital funds:

Ansonia Housing Authority	\$592,122
Bloomfield Housing Authority	\$37,938
Bridgeport Housing Authority	\$5,699,214
Bristol Housing Authority	\$1,106,087
Brooklyn Housing Authority	\$24,403
Danbury Housing Authority	\$771,968
East Hartford Housing Authority	\$993,695
Glastonbury Housing Authority	\$461,360

Greenwich Housing Authority	\$590,879
Hartford Housing Authority	\$5,060,163
Manchester Housing Authority	\$520,654
Meriden Housing Authority	\$992,309
Middletown Housing Authority	\$859,777
Milford Housing Authority	\$557,907
Naugatuck Housing Authority	\$212,023
New Britain Housing Authority	\$1,761,628
New Canaan Housing Authority	\$41,022
New Haven Housing Authority	\$6,045,769
New London Housing Authority	\$381,631
Norwalk Housing Authority	\$1,693,181
Norwich Housing Authority	\$300,405
Portland Housing Authority	\$109,126
Putnam Housing Authority	\$312,465
Seymour Housing Authority	\$104,159
Stamford Housing Authority	\$1,658,903
Stratford Housing Authority	\$603,523
Torrington Housing Authority	\$422,447
Vernon Housing Authority	\$250,316
Waterbury Housing Authority	\$1,698,361
West Hartford Housing Authority	\$189,381
West Haven Housing Authority	\$935,612
Willimantic Housing Authority	\$502,604
Winchester Housing Authority	\$133,991
Windsor Locks Housing Authority	\$118,532

## Arts Grants

Last minute changes to the American Recovery and Reinvestment Act added \$50 million to the National Endowment for the Arts (NEA) to preserve jobs in the non-profit arts sector. The act specifies that 40 percent of the available fund will be distributed to state and regional arts agencies that received NEA funding in recent years. The level of funding each arts agency will receive will be 58 percent of 2008 funding received for state agencies and 37 percent of 2008 funds received for regional arts agencies. These one-time grants must be used for subcontracting for salary support for eligible non-profit organizations.

Additionally, 60 percent of the NEA stimulus money is being allocated for competitive grants ranging from \$25,000 to \$250,000. All arts agencies and organizations are eligible for only one grant from a state, regional or NEA source under the act. National grants also are limited to salary support and fees for artists or contracted personnel.

## Tax Credit

As part of the American Recovery and Reinvestment Act, Congress established a new individual tax credit for 2009 and 2010. The credit is worth 6.2% of an individual's income, with a maximum credit of \$400 per person or \$800 for married couples filing jointly. The credit phases out at \$190,000 for couples and \$95,000 for single filers. A one-time-only tax credit of \$250 for social security recipients, retired railroad workers and disabled veterans is also provided for under the act. Individuals claimed as dependents are not eligible for the tax credit. Employers can obtain new withholding tables at [www.irs.gov/pub/irs-pdf/n1036.pdf](http://www.irs.gov/pub/irs-pdf/n1036.pdf) and are required to implement the new withholding rates by April 1, 2009.

## Community Health Centers

On March 2, the U.S. Department of Health and Human Services released \$155 million in stimulus funding to support the expansion and development of 126 community health centers nationally. In Connecticut, the following centers received awards totaling \$3,725,000: Torrington, Norwalk and Willimantic.

If you have any questions about the issues addressed here, please feel free to contact David McQuade, Senior Government Affairs Consultant, at 860-240-6141 / [dmcquade@murthalaw.com](mailto:dmcquade@murthalaw.com), or your own attorney.

BOSTON

HARTFORD

MADISON

NEW HAVEN

STAMFORD

WOBURN