

American Recovery and Reinvestment Act UNC Frequently Asked Questions - General

1. What is the American Recovery and Reinvestment Act?

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA). The act represents a significant investment in our country's future in the face of the greatest economic crisis since the Great Depression. The White House predicts the ARRA will create or save three to four million jobs, 90 percent of them in the private sector.

The act provides a total of \$789.5 billion in spending and tax cuts over two years. According to the White House the money is distributed like this:

\$288 billion- Tax Relief
\$144 billion- State and Local Fiscal Relief
\$111 billion- Infrastructure and Science
\$81 billion- Protecting the Vulnerable
\$59 billion- Health Care
\$53 billion- Education and Training
\$43 billion- Energy
\$8 billion- other

2. How much money is coming to North Carolina?

While it is certain that North Carolina will receive billions of dollars from the ARRA, it is currently unclear how much the final amount will be. Many of the funding formulas have not been finalized and the Act also injects additional money into the state through targeted tax cuts, additional grants from federal agencies and direct funding for specific federal programs in the state.

\$255 billion of the \$789.5 billion total will be awarded to states based on funding formulas. We estimate North Carolina will receive \$6.1 billion of the \$255 billion total or about 2.7%.

3. What is the timeline?

Federal agencies will be establishing dates and deadlines for delivering funds, contracts, and reporting. Go to www.recovery.gov to learn more. Updates will be posted on this website when they become available.

4. How much money will education in North Carolina receive?

The Stimulus packages includes funding for states to use to mitigate cuts to education and other government programs and services. North Carolina should receive approximately \$1.42 billion in total for state fiscal stabilization (according to 2009 US Dept. of Education Preliminary Tables). The statute is clear that 81.8% of the total state award must be used to restore state support to education at either the FY 2008 or FY 2009 levels, whichever is greater. Distribution within the state is proportional to the relative shortfall of state support for each of the education sectors (DPI, NC Community Colleges, and UNC). For more details on the stabilization fund and additional competitive funds, please review the UNC GA Stimulus Briefing #1.

5. How soon will recovery funds for education be available for spending?

Governor Perdue will receive the stabilization funding as soon as she applies to the US Department of Education and is approved for funding. Governor Perdue has discretion over how much stabilization funding to use in each state fiscal year. As additional information is available from the Governor's office, responses will be updated.

6. Where can I find information about the American Recovery and Reinvestment Act of 2009?

For more information please visit the North Carolina Office of Economic Recovery and Investment at www.ncrecovery.gov or the federal site at www.recovery.gov