

## Office of State Lands and Investments

### *Funding Wyoming Public Education*

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Our agency's Administrative Services Division (Grants and Loans Section) administers grants and loans programs that fund infrastructure capital projects for local government entities. Two (2) existing loan programs, the Clean Water and Drinking Water State Revolving Fund (SRF) Loan Programs, which respectively fund wastewater treatment and drinking water system improvements, are currently funded federal (80%) and state (20%); referred to as the "Core" SRF programs. [Total funding for the Clean Water SRF for FY 2010 is \$12,002,400 and estimated funding for the Drinking Water SRF for FY 2010 is \$16,287,600]

On February 17, 2009 President Obama signed into law the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA contains a myriad of economic recovery funding allocations aimed at jumpstarting our nation's ailing economy. This white paper focuses on the flow of ARRA dollars into Wyoming to fund water and wastewater infrastructure projects through the Clean Water and Drinking Water SRF Programs administered by our agency. [Actual allotments \$19,239,100 for Clean Water SRF and \$19,500,000 for Drinking Water SRF] There is no state match requirement for ARRA federal funds for Wyoming's SRF programs.

Here are the highlights of the ARRA as it pertains to the SRF Programs:

- Eligible infrastructure projects needed be under contract or construction within twelve (12) months of bill enactment. [February 17, 2010]. To ensure that this requirement is met, State administrative rules were implemented requiring that Wyoming recipients of ARRA funding needed to be under contract or construction by December 31, 2009. This requirement has been met by the State of Wyoming with all ARRA funding having been committed to 26 CWSRF projects and 26 DWSRF projects. On September 15, 2010, disbursement of ARRA funds for the CWSRF was at 72.68% and 68.95% for the DWSRF. A complete listing of all ARRA Clean Water and Drinking Water Projects may be obtained at the following website: <http://slf-web.state.wy.us/grants/arra.aspx> Federal funding under the ARRA is for SRF loans but the ARRA also required that the State of Wyoming make at least 50% of the new money available in the form of additional subsidization; i.e. principal forgiveness, negative interest rates, or grants or any combination thereof. New Federal funding requirements under the 2010 "Core" SRF programs also provide for a minimum percentage of the new money to become available in the form of additional subsidization.
- Potential funded projects needed to appear on the State's Intended Use Plan as amended to include newly identified eligible projects.
- Twenty percent (20%) of ARRA funding for both SRF programs needed to be set aside for funding "green" infrastructure, water or energy efficiency improvements or other environmentally innovative activities. Guidance from the U.S. Environmental Protection Agency (USEPA) is that the State must make a "timely and concerted solicitation" for such projects. This Federal funding requirement is also being extended from the ARRA funding allotment to the 2010 "Core" SRF programs. Eligible local government entities are urged to contact the Office of State Lands and Investments or the Wyoming Department of Environmental Quality or the Wyoming Water Development Office to discuss their project(s) for this special funding set aside.
- General Provisions of the ARRA included two (2) key components: 1) Section 1605 provides for the use of American iron, steel and manufactured goods in projects. USEPA can waive this requirement under certain circumstances. 2) Section 1606 provides for specific wage requirements. All laborers and mechanics employed by contractors and subcontractors on projects funded by the ARRA must be paid the wages prevailing in the locality for similar projects as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. The 2010 "Core" SRF programs also require the Davis-Bacon Act wage requirements but not the American iron, steel and manufactured goods requirements.

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