



Great Lakes Funding in the Economic Stimulus Package

Important Aid for the Great Lakes – A Down Payment on Long-Term Needs

The economic stimulus package provides some support for programs that will address critically needed improvements to the environmental and economic health of the Great Lakes-St. Lawrence River region.

- **Upgrading water infrastructure:** The stimulus legislation provides \$4 billion *nationally* to the Clean Water State Revolving Fund (SRF) and \$2 billion for the Drinking Water SRF to repair and upgrade wastewater and drinking water infrastructure. Per existing formulas, the Great Lakes states are expected to receive nearly \$2 billion. While important, this is just a fraction of the \$74 billion that U.S. EPA estimates is needed to fully upgrade wastewater infrastructure in the Great Lakes region.
- **Repairing, Upgrading and Maintaining Great Lakes Ports and Navigation Infrastructure:** The legislation includes \$4.6 billion *nationally* for construction, operations and maintenance, and associated activities administered by the Army Corps of Engineers. While the Great Lakes allocation is not clear, the funds may help alleviate a \$200 million, 17 million cubic yard backlog in dredging of Great Lakes ports and navigation channels, and may help start construction of a new lock at Sault Ste. Marie, Mich.
- **Restoring Fish and Wildlife Resources:** The legislation includes \$150 million *nationally* for the National Oceanic and Atmospheric Administration and \$50 million for the U.S. Fish and Wildlife Service to restore habitat, rehabilitate endangered species and enhance fish and wildlife resources.

In addition, the stimulus package's investments in energy conservation, wind and solar power will enhance our region's economy and help reduce negative impacts from burning fossil fuels. These are wise investments that will create jobs, stimulate economic development and protect and restore freshwater resources in the eight-state Great Lakes region.

The Great Lakes Commission calls on the federal agencies administering these and other stimulus funds to ensure they are allocated equitably and that the Great Lakes region receives its fair share. Details on the elements of the stimulus package that may benefit the Great Lakes are summarized in the table on the reverse.

The Need for Sustainable Funding for Great Lakes Restoration and Economic Revitalization

There were several programs critical to the Great Lakes that were not addressed by the stimulus package, including:

- **Cleaning up toxic sediments:** The Great Lakes states identified \$500 million in contaminated sediment cleanup projects that could have been funded through the highly effective Great Lakes Legacy Act, including nearly \$200 million for projects that could begin by spring 2009. The Legacy Act has cleaned up nearly 1.3 million cubic yards of contaminated sediments and leveraged \$88 million in local funding. Cleaning up contaminated sediments will generate jobs, enhance tourism and recreation-dependant businesses and stimulate waterfront redevelopment. A study by The Brookings Institution found that cleaning up Great Lakes Areas of Concern – or toxic “hot spots” – would increase coastal property values by \$12-\$19 billion.
- **Restoring and Conserving Valuable Fish and Wildlife Resources:** The Great Lakes Habitat Initiative developed a regional inventory of more than 240 potential habitat restoration projects awaiting implementation in the U.S. portion of the Great Lakes. At least 45 projects are ready to be implemented within the next year at a cost of approximately \$130 million. Boating, fishing, hunting and wildlife watching in the Great Lakes region yield over \$50 billion in economic activity annually and generate hundreds of thousands of jobs. Restoring and conserving fish and wildlife resources is critical for both the economic and ecological health of the region.

These and other unmet restoration opportunities underscore the need for a reliable and efficient mechanism to support important long-term regional programs needed to fully implement the *Great Lakes Regional Collaboration Strategy to Protect and Restore the Great Lakes*. Toward this end, the Great Lakes Commission urges Congress, in collaboration with the Obama Administration, to establish a sustainable funding mechanism to direct funds to critical Great Lakes restoration needs in an efficient and strategic manner. Such a mechanism must include effective partnerships with the states, sound science and clear accountability.

Overview of Great Lakes Funding in the American Recovery and Reinvestment Act of 2009

The following table provides an overview of funding in the economic stimulus package that may benefit Great Lakes restoration efforts. This information is based on the Congressional conference report and joint statement, and information provided by federal agencies. The process for administering the funding is still being finalized, so the information below should be considered preliminary pending confirmation from the responsible agencies.

Agency and Funding Overview	Congressional Direction	Process for Administering Funding
U.S. Army Corps of Engineers <ul style="list-style-type: none"> • \$2 billion for construction • \$2.075 billion for operations and maintenance • \$25 million for investigations • \$25 million for the regulatory program 	<ul style="list-style-type: none"> • The Corps is to consider the following criteria when allocating funds: <ul style="list-style-type: none"> ○ Programs, projects or activities that can be obligated/executed quickly, will result in high, immediate employment, that have little schedule risk, that will be executed by contract or direct hire of temporary labor, and that will complete either a project phase, a project or will provide a useful service that does not require additional funding. ○ Execute authorized projects in order to maximize national benefits without regard to business line amounts proposed, except where statutory language specifies an amount. • Funding can only be used for programs, projects or activities that heretofore or hereafter receive appropriations. • Not less than \$200 million of construction funds are for water-related environmental infrastructure assistance. • Programmatic caps limiting the level of funding that can be expended for certain projects are waived. • Construction funds shall not be cost shared with the Inland Waterways Trust Fund. 	<p>At the current time the process for allocating funds is being determined. The primary focus will be on projects that can be implemented rapidly and that will generate jobs.</p>
U.S. Environmental Protection Agency <ul style="list-style-type: none"> • \$4 billion for the Clean Water SRF • \$2 billion for the Drinking Water SRF • \$600 million for Superfund • \$100 million for brownfields 	<ul style="list-style-type: none"> • Funds are not subject to cost-share requirements of the Water Pollution Control Act or Safe Drinking Water Act. • Priority shall be given to projects on state priority lists that are ready to proceed to construction within 12 months of enactment. The Administrator shall reallocate funds for projects not under contract/construction within 12 months. • A minimum of 50% of capitalization grants are to be for forgiveness of principle, negative interest loans or grants to eligible recipients. • To the extent that there are eligible projects, at least 20% of funds shall be for projects to address green infrastructure, water or energy efficiency or other environmentally innovative activities. 	<p>Funding is expected to be allocated using existing formulas under the Clean Water Act.</p>
National Oceanic and Atmospheric Administration <ul style="list-style-type: none"> • \$230 million for operations, research and facilities • \$600 million for procurement, acquisition and construction 	<ul style="list-style-type: none"> • Funding for operations, research and facilities are to address a backlog of research, restoration, navigation, conservation and management activities. • Funding for procurement, acquisition and construction is for construction and repair of NOAA facilities, ships and equipment, to improve weather forecasting and to support satellite development. \$170 million shall address gaps in climate change modeling and establish climate data records for research into the cause, effects and ways to mitigate climate change. 	<p>Approx. \$150 million will be provided for restoration projects via a competitive RFP. Priorities include fish passage; tidal/hydrological reconnection; shellfish restoration; corral reef recovery; shoreline restoration; marine debris removal; and habitat restoration in AOCs.</p>
U.S. Fish & Wildlife Service <ul style="list-style-type: none"> • \$165 million for resource management 	<ul style="list-style-type: none"> • Funding is for deferred maintenance, construction and capital improvement projects on national wildlife refuges and national fish hatcheries and for high priority habitat restoration projects. The Service has flexibility to determine the allocation of funding among various program activities. The Service is encouraged to select projects that create the largest number of jobs in the shortest time period and that create lasting value. 	<p>Approx. \$50 million will be allocated for habitat projects. Existing proposals will be reviewed, including from the Coastal Program and Great Lakes Fish & Wildlife Rest. Act.</p>
U.S. Geological Survey <ul style="list-style-type: none"> • \$140 million for surveys, investigations and research 	<ul style="list-style-type: none"> • USGS is to consider a wide variety of activities, including repair, construction and restoration of facilities; equipment replacement and upgrades including stream gages, seismic and volcano monitoring systems; national map activities; and other critical deferred maintenance and improvement projects. 	
U.S. Dept. of Agriculture-Natural Resources Conservation Service <ul style="list-style-type: none"> • \$290 million for watershed and flood prevention activities • \$50 million for watershed rehabilitation 	<ul style="list-style-type: none"> • \$145 million is to purchase and restore floodplain easements under the Emergency Watershed Protection Program. Funding is for conducting a floodplain restoration enrollment process for multiple regions of the country that will provide the greatest public and environmental benefits. Funding is for both structural and non-structural watershed infrastructure improvements. • NRCS is directed to complete existing infrastructure projects that have already initiated planning, design, or construction work, as well as prioritize funding for projects that are prepared to initiate work as soon as possible. It is directed to fully fund completing discrete functional components of both structural and non-structural projects initiated with stimulus funding. • Watershed funding is to rehabilitate aging flood control infrastructure. 	