

Initial Identification of the Impact of the H.R. 1, American Recovery and Reinvestment Act of 2009, on the University of Wyoming

- 1. Aid to Students.** These provisions are not expected to have any material impact on UW's available revenues, will flow directly to students or their families, but will make higher education more affordable:
 - (a) Increase in the maximum Pell Grant by approximately \$490 to \$5,350 in 2009;
 - (b) Increase in the higher education tax credit to a maximum of \$2,500, from \$1,800. The allowable income limits for the tax credit were increased and a portion of the tax credit (40%) will be available as a refundable credit. Other income and applicant characteristics could influence the provision of this tax credit for UW students. Each situation will be different;
 - (c) Miscellaneous tax provisions, e.g., earned income tax credits, increased deductions, allowance for purchase of technology equipment from qualified 529 investments; and
 - (d) Additional \$200 million nationally for Federal Work Study could benefit certain qualified students at UW.

- 2. Competitive Research Funding.** If received, this is all UW "Section II" funding so it would not affect UW's operations funded through state general funds. These funds are anticipated to be awarded through competitive research grants. The time frames for competition have not been established by the federal agencies, but UW will monitor that. UW will undoubtedly aggressively compete for research funding consistent with the expertise of UW's faculty, and particularly where the areas are of benefit to Wyoming and the West. Prominent areas for increased research funding include:
 - (a) \$240 million for the National Institutes of Standards and Technology (NIST) for research;
 - (b) \$360 million for NITS-related maintenance, renovation, and construction of facilities and laboratories;
 - (c) \$230 million for National Oceanic and Atmospheric Administration (NOAA) research;
 - (d) \$1 billion for National Aeronautics and Space Administration (NASA) research;
 - (e) \$3 billion for research, scholarship, equipment, and construction to the National Science Foundation (NSF) (Discussed in #3 below.);
 - (f) \$3.4 billion for the Fossil Energy Research and Development program, including \$800 million for clean coal power initiative funding; \$1.52 billion for a competitive solicitation for a range of industrial carbon capture and energy efficiency improvement projects; \$50 million for competitive research for geologic site characterization; and \$20 million for geologic sequestration training and research grants;
 - (g) \$1.6 billion for the Science program within the Department of Energy;
 - (h) \$400 million for the Advanced Research Project Agency-Energy within the Department of Energy;

- (i) \$140 million for surveys, investigations and research under the United States Geologic Survey;
- (j) \$50 million to the National Endowment of the Arts for direct distribution and grants (40% to traditional art agencies and 60% competitive distribution);
- (k) \$250 million for the Institute of Education Sciences to improve data coordination; and
- (l) \$1.3 billion for the National Center for Research Resources, within the National Institutes of Health, \$1 billion of which is for competitive awards for the construction and renovation of extramural research facilities. (In fact, the NIH received a total of \$10 billion; however, much of this funding is targeted.)

3. State Fiscal Stabilization Fund. The bill includes an appropriation of \$53.6 billion top of the line, but after federal set-asides and “incentive pots” approximately \$48 billion will actually be distributed to the States.

Two-tiered formula for distribution based upon students aged (5 to 24) populations and total population. Based upon initial (non-official) computations, this will result in about **\$82 million** in potential funding for Wyoming. Of this funding, 81.8 percent (**about \$67M**), Pot #1, is designated exclusively for the support of early childhood, elementary, secondary, and higher education. The remainder (**about \$15M**), Pot #2, is designated for “public safety and other government services, which may include education services.”

Pot #1 - Must first be used to restore state aid to school districts under the State’s primary, elementary and secondary education funding formulae to the greater of FY08 or FY09 level in each of fiscal years ’09, ’10, and ’11.

Next, funds are to be used for public institutions of higher education to mitigate the need to raise tuition and fees. Like the K-12 funding requirement, these funds for higher education are designated to provide sufficient funds to support institutions to the greater of FY08 or FY09 levels for FY09, FY10, and FY11.

Any remaining funds, after distribution to either K-12 or higher education, must be allocated to school districts based upon the existing federal Title 1 formula.

In addition to the above outline, there are a number of assurances that must be met within the context of any grant application forwarded by the Governor. They include commitments:

- that state support for education will be maintained at least at the FY06 level for FY09, FY10, and FY11;
- to establish a longitudinal data system that includes the elements described in the America COMPETES Act;
- to take actions to improve teach effectiveness and achieve equity in teacher distribution;
- to enhance the quality of assessments relating to English language learners and students with disabilities; and
- to ensure compliance with corrective actions required for low-performing schools.

The State of Wyoming and higher education in Wyoming currently do not have a data system that will fully comply with the second commitment – but work in the education community is

underway. There are also incentive grants available to assist states that have made significant progress toward these assurances.

Pot #2 - These funds could be directed toward public safety and other government services, including assistance to elementary, secondary, and higher education for modernization, renovation, or repair of public school and higher education facilities. UW has an array of projects immediately available that could benefit from this funding

Application for Pots #1 and 2: The Governor is charged with submitting the appropriate applications for State Fiscal Stabilization Funds and submitting a follow-up annual report to the Secretary of Education on metrics such as the number of jobs saved or created, tax increases averted, progress in achieving the assurances, limits on tuition and fee increases, etc. There are also sub-requirements which provide additional prohibitions on the use of funds, for example, application toward athletic facilities.

4. **Additional revenue streams through collaboration, sub grants, or other sources within ARRA.** There are numerous additional revenue streams for which specific programs within UW may be eligible. One example would be sub grants for transit (bus purchases) through programs administered by the Departments of Transportation or Environmental Quality. Additionally, energy efficiency projects applying to public buildings generally could be a source of funding. As a final example, UW staff will explore the opportunities to work with other entities to develop proposals in the area of broadband infrastructure.

5. **Specific opportunities related to teach quality.** Based upon initial review of the federal stimulus bill, there are four areas that speak to teacher quality: (1) \$200 million appropriation for innovation and improvement; (2) component of state assurances for the State Fiscal Stabilization Program; (3) potential grants under the Innovation Fund, a subcomponent of the State Fiscal Stabilization Program; and (4) \$100 million for National Science Foundation (NSF) scholarships. The NSF scholarships require national competition and are subdivided as follows:
 - Robert Noyce Scholarship Program \$60,000,000
 - Math and Science Partnerships \$25,000,000
 - Professional Science Master's Programs \$15,000,000

[Note: There is also at least \$3.95 billion for training and employment services to be allotted by formula within 30 days of enactment, which could assist workers in obtaining education and training, provide internships and employment experience for younger students, etc. However, UW is not the appropriate state agency to administer these funds. UW would work with other state agencies as necessary to assist students.]