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FOR IMMEDIATE RELEASE
June 30, 2009

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Senate, House Approve Legislation Maximizing Federal Stimulus Funds for the Commonwealth

(BOSTON) – The Legislature today finalized economic recovery legislation allowing the Commonwealth to maximize the benefits of federal stimulus funding to continue important infrastructure projects, create jobs and spur long-term economic growth. The Governor is expected to sign the bill.

“With this legislation, we are making sure there aren’t any missed opportunities for Massachusetts,” Senate President Therese Murray said. “We need this money to help keep our economy going in this difficult recession and build a foundation for future growth. We also take necessary steps to make sure proper oversight is in place for a transparent and accurate account of all federal taxpayer dollars.”

“This legislation will serve as a financial shot in the arm for Massachusetts when we need it most,” House Speaker Robert A. DeLeo said. “It will help us protect those who have lost jobs, preserve jobs for those who have them, and create new ones. I’m also pleased to see there will be fiscal safeguards in place.”

The bill assures that Massachusetts will meet the strict requirements and deadlines for using the federal stimulus money provided through the American Reinvestment and Recovery Act of 2009.

The main components of the bill, unanimously approved by the state Legislature, include the following:

- Secures \$186 million in clean water and drinking water grants for the Commonwealth by authorizing the Massachusetts Water Pollution Abatement Trust to lower a key interest rate for financial assistance;
- Makes the state eligible for \$108 million in unemployment insurance funds by extending unemployment benefits from 18 to 26 weeks for individuals participating in a training program;

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- Updates state procurement procedures;
- Ensures efficient and transparent accounting and reporting of all project funding;
- Requires that state positions created by projects funded through the federal act are paid with federal stimulus money only;
- Requires equitable distribution of funding to ensure participate by all businesses, including minority and women-owned businesses and small businesses; and
- Promotes apprenticeship training programs.

The Legislature included a provision in the final legislation that requires a bi-monthly report from the Administration on the progress of all federal stimulus projects in the state. Another added provision makes construction companies that are disbarred by the federal government, the Commonwealth or any other state ineligible to participate in federal stimulus projects.

In anticipation of approximately \$8.7 billion in total federal stimulus money for Massachusetts, the Senate and House in February formed a special committee to oversee and review state spending of federal stimulus funding. The temporary Joint Committee on Federal Stimulus Oversight acts on behalf of the Legislature to coordinate efforts with the Administration to make the most of federal assistance for Massachusetts.

The special Legislative committee has the ability to hold hearings on federal stimulus plans, audit expenditures, and report back periodically to the House and Senate. The committee will also review current state laws, regulations and policies, and make recommendations regarding changes that will allow Massachusetts to access additional funding or spend money more quickly to stimulate the economy.

The amount of aid flowing out of Washington, nearly \$800 billion total for all 50 states, is in many ways unprecedented. Through the work of the Administration, Legislature and others, Massachusetts is now well-positioned to utilize its funding allotment quickly and efficiently to finish projects, stimulate local economies and create jobs.

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