



## Analysis of Environmental Issue Areas in the American Recovery and Reinvestment Plan

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### **Brownfields**

Both the House Bill and the Senate Bill propose a \$100 million infusion of funds into efforts to remediate brownfield sites. It is likely that the funds will support current US EPA Brownfields grant programs, allowing for funding of more applications. In addition, both bills supplement funding to other clean up programs, including the Superfund Remedial program (hazardous wastes contamination), the Leaking Underground Storage Tank Trust Fund Program (petroleum contamination), and the Formerly Utilized Sites Remedial Action Program (atomic energy contamination).

### **Energy**

As a main focus of the stimulus plan, there are over \$75 billion in incentives to encourage “green” energy and reduced consumption peppered throughout both the House Bill and Senate Bill. The main pieces include:

- funding to modernize the way electricity is distributed, including new transmission lines and “smart-grid” technology;
- funding to make federal buildings, schools, and hospitals more energy efficient;
- increased funding for weatherization grants to help homeowners conserve energy;
- increased funding for research - for fossil energy and renewable energy, and advanced battery technology; and
- significant tax incentives for renewable energy and energy conservation projects to encourage private investment and growth in this sector.

In addition, energy efficiency and conservation are used to prioritize projects in other areas of the bills, such as in affordable housing, job creation, and transit improvements. There are some differences between the House Bill and Senate Bill and how much funding is allocated to which programs, but the key programs remain the same, and the total amount of spending and incentives are relatively close.

## Water

The biggest water-related items in the House and Senate versions of the recovery package are appropriations to the Clean Water and Drinking Water State Revolving Funds, programs which provide loans with below-market interest rates to local governments to improve sewer and water systems. Both versions of the bill provide \$6 billion and \$2 billion, respectively, to the two programs. The Center for American Progress estimated that \$255 million and \$82 million of those appropriations would be distributed by formula to Illinois. The House bill stipulates that states spend 50% of the Clean Water SRF funds on projects already on state priority lists – the FY09 Illinois priority list, developed before the stimulus package emerged, can be found [here](#) – of which 80% is to be used for projects in municipalities that meet affordability criteria set by the state and 20% must address water/energy efficiency, mitigate stormwater runoff, or meet other environmental goals. The Senate bill lacks this language, but does require that at least 15% of the funds be used for green infrastructure projects, and this stipulation applies to both of the SRF programs. On the drinking water side, the House bill also requires that 50% of the SRF distribution be spent on projects on the state priority list (the Drinking Water SRF priority list for FY09 can be found [here](#)).

Another major item is funding for the Army Corps of Engineers, which has \$2 billion for construction, \$2.2/\$1.9 billion (House/Senate) for operations and maintenance, \$250/\$500 million for Mississippi River improvements, and \$25 million for the regulatory program. The Senate bill also includes \$25 million for Corps studies which the House bill lacks. The House bill requires that the construction funding be spent on projects that are already underway. Finally, the Natural Resources Conservation Service (NRCS) would receive \$450 million under the House bill, much of which would be used to purchase and restore floodplains in agricultural areas, while \$50 million would be used to rehabilitate flood control structures, dams, and so forth. The Senate bill reduces NRCS funding to \$395 million.

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