

What The Stimulus Package May (Or May Not) Mean To You

American Reinvestment and Recovery Act Passes Overwhelmingly; Includes \$140 Billion For Construction Nationally

Help from the government may be on the way for the industry as a whole, but just how much help contractors can expect is still up in the air.

Both the House of Representatives and the Senate passed the American Recovery and Reinvestment Act, a close to \$800 billion stimulus package aimed at reenergizing the economy. Associated General Contractors of America Chief Economist Ken Simonson anticipates that \$140 billion of those dollars will impact construction in one way or another. In many cases, the money will be distributed to the states or state agencies, which will then use the money in the parameters provided by the federal government.

Among the many items Simonson feels pertain to construction, the final version of the bill includes:

- \$27.5 billion for highway and bridge construction
- \$7 billion for construction and maintenance for the military
- \$6.9 billion in transit funding
- \$5.6 billion in GSA construction
- \$4 billion for the Public Housing Capital Fund
- \$1.3 billion for Amtrak and rail construction

Illinois' share of those funds is over \$1.5 billion for infrastructure alone, including over \$935 million for highways and bridges and over \$370 million in transit funds.

The stimulus package language included a "Buy American" provision, which stops Federal funds for projects unless all of the iron, steel and manufactured goods used in the product were produced in the United States. This requirement can be waived by agencies who find that the provision raises the cost of the overall project by more than 25 percent.

Action surrounding the stimulus package accompanied a flurry of other construction-related legislative activity soon after President Obama took office. The President revoked President Bush's Executive Order prohibiting the requirement of Project Labor Agreements on Federal projects.

New Governor Throws Support To Capital Bill

Close to \$4 billion in road and bridge construction is suggested by Governor Pat Quinn, who made his plans for a \$26 billion capital bill known during his mid-March budget address. \$1.5 billion in bus and rail funding is also called for by the Illinois Jobs Now! proposal. Stimulus and Federal money would account for 45 percent of the funds.

Also, Democrats in both the House and the Senate began to move on the Employee Free Choice Act, which the President and Labor organizations had made a priority. The bill has been introduced in both chambers of Congress and the AGC continues to urge members to speak out against the legislation.

The AGC of America had aggressively lobbied for significant infrastructure investment as part of any stimulus package. In the coming weeks, members will have the opportunity to find out more about the stimulus package and what exactly it includes.

The Builders Association supports McGraw-Hill Construction's Economic Stimulus & Recovery Briefing Wednesday, April 22 at the Renaissance Chicago Hotel. Leading economic minds Simonson and Robert Murray (Vice President of Economic Affairs, McGraw-Hill Construction) will join a panel of local owners and financial institutions to give your business a better idea of where the stimulus money will be going and what it means to your company.

For more information on the Economic Stimulus and Recovery Briefing, visit bldrs.org or contact Mike Schultze at 847.318.8585.

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