



**To:** Governor David A. Paterson  
**From:** The New York State Economic Recovery and Reinvestment Cabinet  
**Re:** Report on the Projected Recovery Act Spending for New York State by County  
**Date:** November 2, 2009

This report is intended to provide you with an update on the American Recovery and Reinvestment Act spending in New York State and provide a breakdown by county within the State.

Over two years, New York's 62 counties will share at least \$18 billion in stimulus funds, according to data collected by the New York Economic Recovery and Reinvestment Cabinet and available at

[http://www.recovery.ny.gov/assets/documents/County\\_Stimulus\\_Data\\_Posting\\_102909.xls](http://www.recovery.ny.gov/assets/documents/County_Stimulus_Data_Posting_102909.xls).

That total includes spending through county governments, school boards and other organizations and direct payments to individuals. A substantial portion of the \$18 billion total is already at work helping New Yorkers and boosting our economy.

### **Payments to Individuals**

More than \$5 billion has been and will continue to be routed directly into the pockets of those New Yorkers most in need of assistance during this difficult economic period. That includes \$3.9 billion in increased unemployment insurance payments and \$1.3 billion in increased food stamp benefits. New Yorkers have already received more than \$69 million of the \$180 million in Pell Grants to college students allocated to the State.

There are other stimulus benefits to individuals. New York residents and business will benefit from federal tax cuts. For example, New Yorkers' paychecks will include an estimated \$9 billion more over two years from the reduction in the federal withholding tax. New Yorkers will also receive \$845 million in increased Social Security and Supplemental Security Income payments. But in both cases, we were unable to obtain county data from the relevant federal agencies in time for this report.

### **Aid to County Governments and School Districts**

Another large portion, \$7 billion, has also already started to have a substantial impact on the State's economy by reducing the need for budget cuts by county governments and school districts. That includes \$2.7 billion for Medicaid and \$2.9 billion in education spending.

Spending for education includes \$1.2 billion for increased Title 1 funding for disadvantaged schools, and \$821 million for IDEA special education funding. Most of these funds are spread out over two years. Our county analysis only includes half of the total of \$2.5 billion in stimulus education aid, the amount allocated for the current year. The Legislature must decide how the second year of those funds will be distributed. Thus the aid to counties and their schools is understated in this analysis.

The table below illustrates the relative size of different areas of stimulus spending using examples from five counties and New York City. The three spending categories – payments to individuals, aid to county governments and schools, and infrastructure – include only the spending identified, and do not add up to the total. All the amounts are two-year projections, except for education which includes only the current year, and Pell grants to college students. The same analysis for all 62 counties is available at

[http://www.recovery.ny.gov/assets/documents/County\\_Analysis\\_Posting\\_102909.xls](http://www.recovery.ny.gov/assets/documents/County_Analysis_Posting_102909.xls)

	Erie	Monroe	Nassau	New York City	Suffolk	Westchester
<b>Total Stimulus Spending (\$ millions)</b>	<b>595.1</b>	<b>540.9</b>	<b>631.6</b>	<b>8,159.6</b>	<b>1,110.1</b>	<b>552.0</b>
<b>Direct to Individuals</b>	<b>212.5</b>	<b>174.4</b>	<b>264.4</b>	<b>2,639.1</b>	<b>316.0</b>	<b>191.3</b>
As a % of Total Stimulus Spending	<b>35.7%</b>	<b>32.3%</b>	<b>41.9%</b>	<b>32.3%</b>	<b>28.5%</b>	<b>34.7%</b>
Food Stamps	59.6	46.3	19.8	837.8	30.7	27.2
Unemployment	146.8	126.3	242.0	1,760.6	283.6	162.8
Pell	6.0	1.9	2.6	40.7	1.7	1.3
<b>For County Governments &amp; Schools</b>	<b>199.8</b>	<b>180.5</b>	<b>210.7</b>	<b>3,337.8</b>	<b>296.9</b>	<b>170.7</b>
As a % of Total Stimulus Spending	<b>33.6%</b>	<b>33.4%</b>	<b>33.4%</b>	<b>40.9%</b>	<b>26.7%</b>	<b>30.9%</b>
Medicaid	74.2	66.2	83.0	1,918.5	90.4	75.0
Education (One Year)	125.6	114.3	127.7	1,419.3	206.5	95.6
<b>Major Infrastructure Programs</b>	<b>58.8</b>	<b>80.9</b>	<b>79.6</b>	<b>632.3</b>	<b>140.1</b>	<b>109.6</b>
As a % of Total Stimulus Spending	<b>9.9%</b>	<b>15.0%</b>	<b>12.6%</b>	<b>7.7%</b>	<b>12.6%</b>	<b>19.9%</b>
Weatherization	12.2	7.4	0.0	91.5	10.6	6.0
Clean Water & Drinking Water	9.8	26.9	18.1	219.5	11.6	43.8
Highway	36.8	46.7	61.5	321.2	118.0	59.8

This county information will help New Yorkers see how stimulus spending is already and will continue to be helping their communities. Most of the focus to date has been on highway and other infrastructure spending. This county by county analysis shows that a major local impact will come from direct payments to individuals. In the counties in our sample, payments to individuals amount to about a third of the total, but this impact is understated here because, as noted, it does not include \$9 billion in reduced tax withholding and \$845 million in increased Social Security. Also, the Pell grants are only what can be identified by county so far. New York will receive a total of \$180 million in Pell grants.

Assistance to county governments and school districts amounts to over one-third of stimulus funds in this sample of counties. This aid prevented layoffs and other cuts that would have hurt the local economies. Again, the impact is understated because education funds for the counties only reflects the current year, but stimulus funds will be available for two years. With the addition of the second year of education aid, this category would amount to more than 40 percent of the total.

This percentage analysis does not work for some counties because they received unusual and large grants that throw off the percentages. For example, Suffolk County's number includes the more than \$200 million in research grants awarded to the Brookhaven National Laboratory. Cattaraugus is receiving a total of \$135 million, but that includes \$74 million for nuclear clean up at West Valley. Schenectady and Tompkins counties have similar large grants.

ARRA spending flows through many federal agencies and many different programs. Some funds are given to the states to distribute, while other funds go directly from federal agencies to local governments and other institutions or to individuals, with no reporting by the federal agency to the states. In some cases, county information is not currently available. Payments to individuals, for example, unemployment and food stamps, are estimated for two years. In the county data, education, however, reflects only the current year allocations. Also, some stimulus funds have yet to be awarded. As a result, the current tabulation includes all available information at this time. Some funds are provided on a multi-county basis. For example, there are highway projects that are spread across more than one county. To provide county numbers, the multi-county amounts were divided on an estimated basis.

It is also important to note that the federal job reports that will be made public on October 30 will not include the payments to individuals. It is clear that these programs have put money in the pockets of people around the State, assisting them in dealing with the hardships caused by the economic downturn. And the additional spending is certainly helping our economy. However, none of these programs are included in the federal stimulus reports due to be released October 30 because the funds are going to individuals, rather than through contracts, which are the focus of the reports.

The October 30 report will also not include Medicaid funds, which totals \$11 billion for the State, including the \$2.7 billion distributed to county governments. The money has already substantially reduced the amount of budget cuts that would otherwise have been necessary and is thus reflected in current state and county spending. Thus, it has prevented budget cuts and layoffs.