$3.2 Billion Stimulus Program Opens Energy Department Funds to Schools

Washington, April 15 — The U.S. Department of Energy (DOE) has unveiled a $3.2 billion stimulus program for state and municipal energy efficiency and conservation, which can help fund improvements to school buildings.

Unlike federal stimulus dollars explicitly allocated for education — and the American Recovery and Reinvestment Act (ARRA) provides billions — school districts and schools aren't guaranteed a cut of these funds. Nonetheless, by working with state and local governments, education officials may be able to access grants designed to help reduce fossil fuel emissions in an environmentally sustainable manner, reduce total energy use and improve energy efficiency in construction and transportation.

Education Department Secretary Arne Duncan said recently that school systems successfully able to tap ARRA funds to conserve building resources now will be thankful later. "It's a great use of one-time money to make schools more energy efficient, so for the next 10, 20 years more money is going into teachers, classrooms and books [rather] than into gas and heating bills," Duncan said in early April.

Formula Funding Decisions Going On Now

The $3.2 billion Energy Efficiency and Conservation program — authorized in 2007 but not funded until now — is sliced into two portions: about $2.7 billion in block grants and $456 million in competitive grants that will be available through a separate DOE solicitation that is expected to be announced soon. Federal officials will reserve nearly $60 million for training and technical assistance to grantees.

The deadline for states to apply for formula grant funds is May 26. Local governments and tribal organizations have until June 25 (*see chart below for formula allocations by state, with links to local funding charts*).

Modeled after the Community Development Block Grant program, these Energy Efficiency and Conservation Block Grants (EECBGs) are parceled out so that all different kinds of municipalities get some of the money. Roughly $1.86 billion is awarded among eligible cities (those with populations of at least 35,000) and eligible counties (with at least 200,000 residents). States governments will receive a population-based share of the remaining $767.5 million, and must distribute at least 60 percent to smaller cities and counties ineligible for a direct formula grants. Tribal communities will split nearly $55 million.

MD State Office Still Deciding

State energy offices have direct control over the distribution of their state-level allocation. Malcolm Woolf, director of Maryland's state energy office, said officials are putting together a "best practices" handbook, organizing technical assistance conference calls for localities and working on "how best to leverage those resources." Money decisions for the roughly $9.6 million state allocation — including whether school energy efficiency projects will be funded — haven't yet been made. "There's a ton to do; it's a question of what you do first," he said.

School facility projects seemed likely to benefit from the DOE dollars in a least one Maryland county, which may offer a window into how other school systems across the country might use the money.

Sean Gallagher, assistant director for the Department of Facilities Management with Montgomery County Public Schools, expected to get part of the county's $7.6 million EECBG allocation to complete a school lighting energy efficiency project and conduct energy audits of schools with the highest utility bills.

As a member of a state energy work group that is planning ARRA projects, Gallagher is working with county government to create a list of priority energy efficiency projects to include in the county's application to DOE. The county council, he said, must sign off on the plan.

"They're the ones that are ultimately responsible for all of this," Gallagher said of governments in general. Given that taxpayer dollars are at stake, they need to ensure that "there's a good inventory of projects across all the agencies and a good rationale for how the money will be distributed," he said, so that money is spend in "the most efficient and effective" way.

Gallagher wants the federal money to finish lighting upgrades at 33 of the county's 199 schools that still need the retrofit. If he gets enough, he'll use the remaining funds for audits of low-energy-performing schools, and set aside some county funds to implement the audit's recommendations.

Local governments may have some advantage over states because they do not have to prepare a subgrant plan. For example, Reno, Nev., has already allocated its estimated $1.48 million among several projects, including improved lighting for a school athletic field and installation of solar cell arrays at selected schools operated by the Washoe County School District. The latter project will leverage an equal amount of funding from NV Energy, the utility company serving the area. The savings in utility costs will flow back into the school district's budget.

Pennsylvania to Run Money through Existing Programs

In Pennsylvania, Libby Dodson, a division chief of the state's Department of Environmental Protection, said the state will use a $23.6 million DOE grant for its "Energy Harvest" program, which awards grants on a first-come, first-served basis. Schools, school districts, colleges and universities will be eligible to apply, but need to watch for the funding announcement.

Pennsylvania's largest cities and counties will make their own decisions about the nearly $80 million they will receive directly from DOE. As in other states, the state is holding Web-based technical assistance sessions to help local governments take advantage of ARRA energy efficiency dollars.

Some states aren't that far along. Washington state energy program manager Cory Plantenberg said in early April that the process for allocating the federal DOE dollars is in its infancy. She indicated it would be a while before a plan is ready for public dissemination.

More information about the federal grant program is online at http://www.eecbg.energy.gov. See the next page for a list of state allocations and state energy contacts.

— Erika Fitzpatrick

U.S. Department of Energy Energy Efficiency and Conservation Block Grants — State Allocations (nearly $2.7 billion) Click state for DOE-issued press releases by state, which in turn link to funding breakdowns by state, county and city. (DOE will award $456 million in competitive grants for local energy efficiency projects at a later date.)			
State	Funding	State	Funding
Alabama	$32 million	Missouri	$44 million
Alaska	$14 million	Montana	$14 million
Arizona	$64 million	Nebraska	$19 million
Arkansas	$20 million	Nevada	$32 million
California	$352 million	New Hampshire	$13 million
Colorado	$43 million	New Jersey	$75 million
Connecticut	$25 million	New Mexico	$21 million
Delaware	$11 million	New York	$175 million
District of Columbia	$10 million	North Carolina	$58 million
Florida	$169 million	North Dakota	$13 million
Georgia	$67 million	Ohio	$84 million
Guam	$10 million	Oklahoma	$27 million
Hawaii	$15 million	Oregon	$34 million
Idaho	$17 million	Pennsylvania	$103 million
Illinois	$112 million	Puerto Rico	$34 million
Indiana	$42 million	Rhode Island	$15 million
Iowa	$21 million	South Carolina	$31 million
Kansas	$21 million	South Dakota	$13 million
Kentucky	$25 million	Tennessee	$42 million
Louisiana	$25 million	Texas	$209 million
Maine	$11 million	Utah	$28 million
Maryland	$52 million	Vermont	$10 million
Massachusetts	$42 million	Virginia	$61 million
Michigan	$77 million	Washington	$56 million
Minnesota	$37 million	West Virginia	$14 million
Mississippi	$17 million	Wisconsin	$37 million
Source: U.S. Department of Energy, 2009		Wyoming	$12 million