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Texas Capitol Room E2.202

Post Office Box 2910
Austin, Texas 78768-2910
(512) 463-0240

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SELECT COMMITTEE ON FEDERAL ECONOMIC STABILIZATION FUNDING

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A handwritten signature in black ink, appearing to be "Jim Dunnam", written over a horizontal line.

MEMORANDUM

TO: Texas House of Representatives

FROM: Chairman Jim Dunnam

DATE: July 8, 2009

SUBJECT: State Fiscal Stabilization Fund

In an effort to expedite the distribution and use of Recovery Act funds, the US Department of Education (ED) announced that it will make \$2.7 billion in State Fiscal Stabilization Fund (SFSF) "government services" money available to states earlier than originally planned. Texas' share is expected to be approximately \$238 million. This number represents one third of the state's total government services allocation.

To read the official press release, and for more information on the SFSF, please see ED's website: <http://www.ed.gov/news/pressreleases/2009/07/07012009e.html>.

Additionally, as you may recall, Texas is one of 16 states selected by the US General Accountability Office (GAO), to be specially monitored in its implementation of Recovery Act provisions. This week, the GAO released a bimonthly report on those states' progress.

Noted in the report, as of June 30 Texas was the only state that had not submitted an application to ED for SFSF money. However, that report was finally submitted before the June 30 midnight deadline. Vice-President Biden reportedly assured Gov. Perry during a conference call with several governors that Texas will be receiving the full portion of an expect \$3.9 billion in State Fiscal Stabilization Funding, as provided by the Recovery Act. To review the GAO report, please click this link: <http://www.gao.gov/new.items/d09829.pdf>.

As always, the Select Committee will continue to monitor the status of stimulus funding in Texas and all other aspects of the Recovery Act; and I will continue to deliver updates to you as information becomes available. In the meantime, please do not hesitate to contact me or the Select Committee staff should you have any questions.

