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## Federal Government Spends Stimulus Money Faster Than Expected

By [MICHAEL COOPER](#)

The federal government is spending stimulus dollars slightly faster than originally expected, according to a government report issued Wednesday, but some programs have been hampered or delayed by confusion over some of the law's requirements.

The government has already paid out around \$48 billion of the \$49 billion that was expected to go to states and localities in the fiscal year that ends on Sept. 30, putting the rate of spending slightly ahead of schedule, according to [the report](#), which was issued by the [Government Accountability Office](#). The vast majority of the money spent so far — 84 percent — was provided in the form of extra [Medicaid](#) and education money to keep states afloat during the downturn; about 4 percent of it was for highway construction.

When direct federal spending to contractors and other parties, as well as tax relief, are included in the tally, more than \$150 billion worth of stimulus money has been pumped into the economy so far, the White House stated. Vice President [Joseph R. Biden Jr.](#) said in a statement that the report had confirmed that the stimulus "is working to jump-start critical infrastructure projects, cushion the impact of record state budget deficits and provide new job opportunities for hard-hit communities."

But confusion over certain provisions of the stimulus law have slowed some programs, the report stated.

The law devotes \$5 billion to weatherizing homes of people with low incomes to make them more energy efficient and comfortable, but the report found that many states had yet to weatherize any homes because of uncertainty over how much they had to pay their workers.

Unlike the government's regular, much smaller weatherization program, the stimulus law requires that workers be paid the prevailing wages for their work. But the Department of Labor had never established prevailing wage rates for weatherization work, the report found, so many states and contractors were reluctant to start work for which they might end up having to pay back wages. As a result, California, Florida and Texas — states where weatherization is largely intended to keep houses cooler in summer — ended August without using stimulus money to weatherize any homes.

The Department of Labor released its [list of prevailing wages](#) on Sept. 3 — establishing that a weatherization worker in Bibb County, Ala., can expect \$11.48 an hour, while one in Manhattan can expect \$22.99 an hour — and more states are now preparing to start work.

Spending on public housing was slightly slower than expected, the report found. It said housing officials attributed some of the delay to confusion over how the stimulus law's "Buy American" provision, which requires the use of American-made materials in some projects, applied to housing construction.

The report also raised questions about the Workforce Investment Act Youth Program, a \$1.2 billion program to provide training and jobs for young people. California found summer jobs for only 42 percent of the 33,789 young people it served, the report found. And in Detroit some young people in the program had

to wait up to four hours in the rain for their paychecks, and the police were called to assist with crowd control.

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