
2009 Economic Stimulus Bill: American Recovery and Reinvestment Act



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January 2009

<http://braley.house.gov>



3 Goals:

1. What it does
2. Why we need it
3. What it costs



What it does:

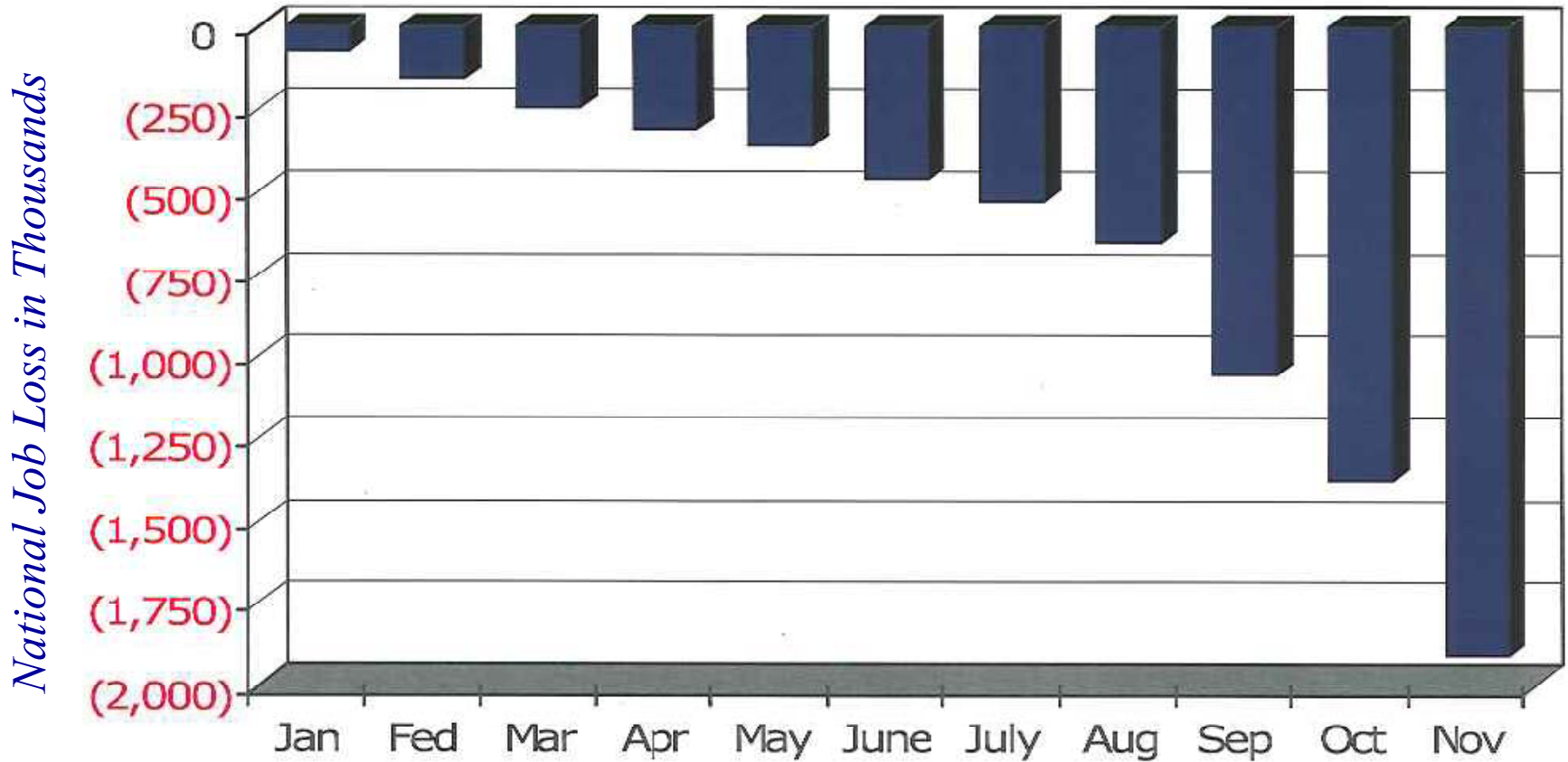
- Promote Clean, Efficient American Energy
- Transform Economy with Science and Technology
- Modernize Roads, Bridges, Transit & Waterways
- Education for 21st Century
- Targeted tax cuts for 95% of Americans
- Lowers Healthcare costs
- Helps Workers Hurt by Economy



Why We Need It

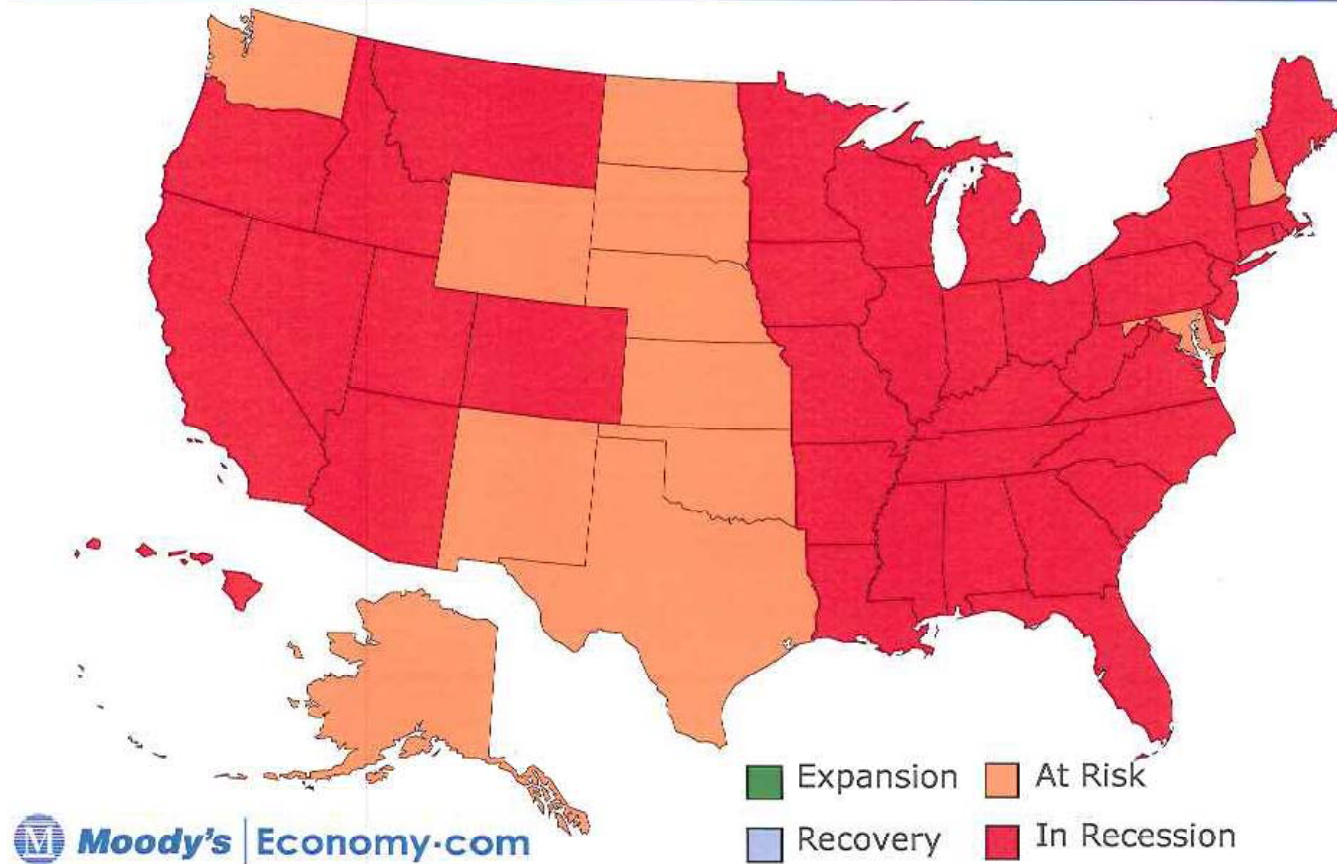


Economic Downturn is Worsening: National Job Loss



Source: Bureau of Labor Statistics

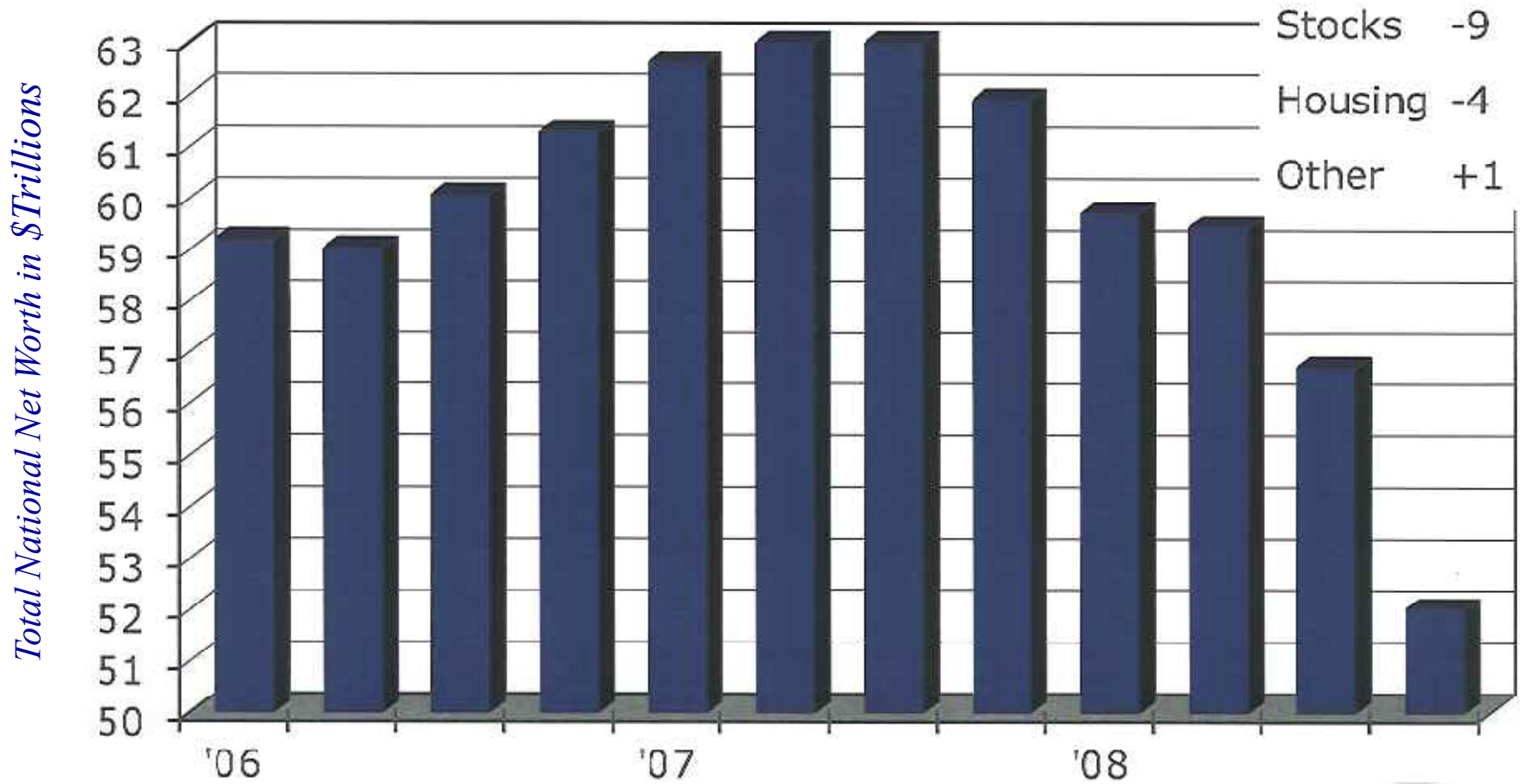
The Majority of States are in Recession



Moody's assessment is based on four key indicators used by the National Bureau of Economic Research: employment, industrial production, retail sales adjusted for inflation, and income to develop a composite indicator. A state is considered to be in recession if that indicator falls for six months or longer. An area is "at risk" if it has declined for three months.



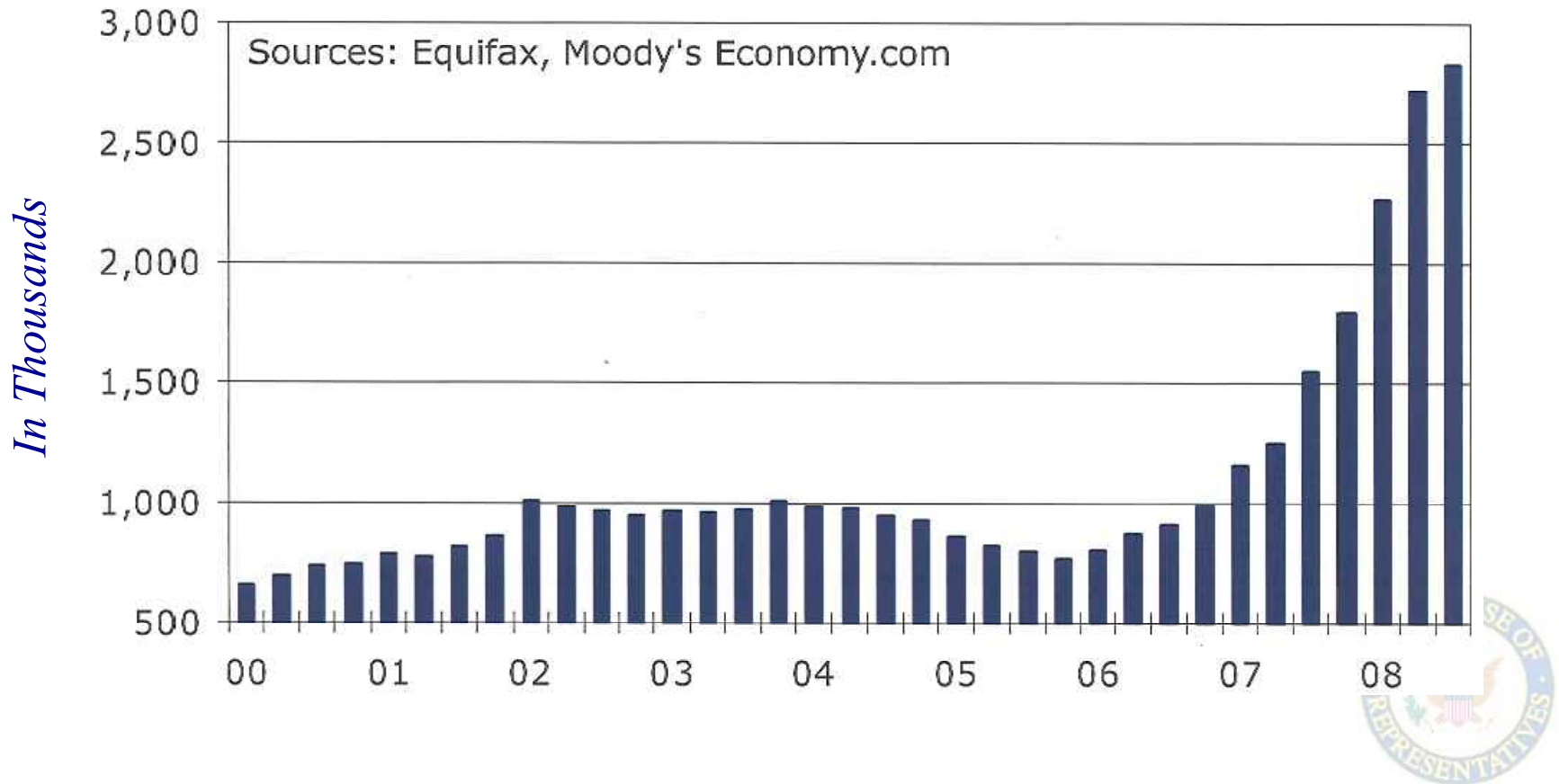
National Household Net Worth Is Steeply Declining



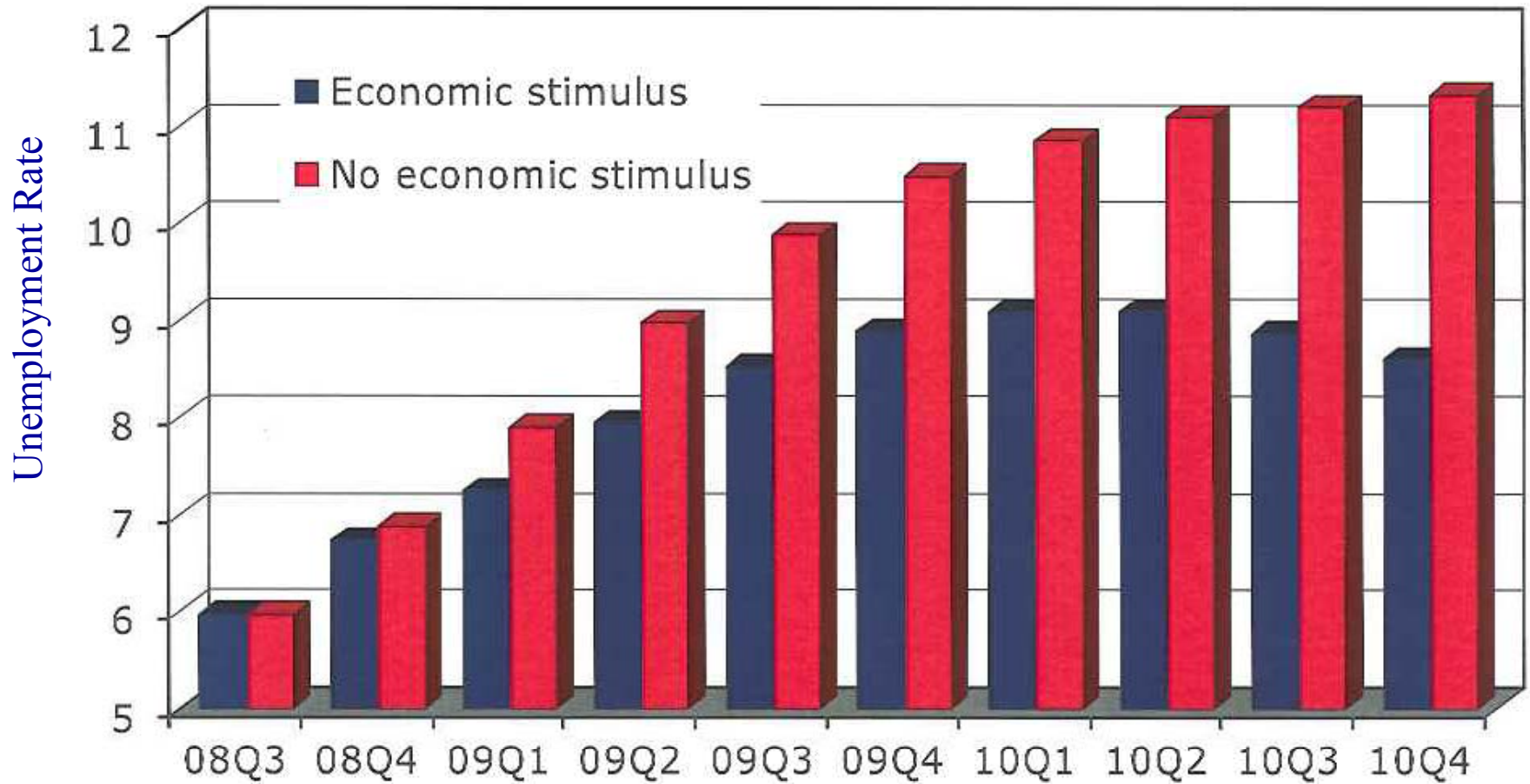
Source: Federal Reserve

Rising National Foreclosures

First Mortgage Loan Defaults



Evaluating the Impact of Economic Stimulus Legislation on Unemployment



Source: Moody's Economy.com

What it costs

- \$550 billion – Spending on Recovery Investments
- \$275 billion – Tax Relief for:
 - Individuals
 - Small Businesses
 - State and Local Governments





American Recovery and Reinvestment Act



- **Create and Save 3 – 4 Million Jobs**
- **Jumpstart Economy**
- **Ensure Transparency, Oversight, and Accountability**
- **Tax Cuts and Unemployment Relief**
- **Investments In:**
 - **Infrastructure**
 - **Renewable Energy**
 - **Science and Technology**
 - **Education**
 - **Healthcare**



Unprecedented Accountability

- Presidential Website
- Public Notification of Funding
- Recovery Act Accountability & Transparency Board
- Whistleblower Protection
- No earmarks



Unprecedented Accountability

- Presidential Website
 - How funds spent
 - Announcements of opportunities & requirements
 - Identity of Program Managers
- Public Notification of Funding
 - Description & purpose of investment funded
 - Total cost
 - Why it should be funded with federal \$
 - Certification of full vetting and appropriate use of taxpayer \$ by Governors, Mayors, others



Renewable, Efficient American Energy

- Doubling Renewable Energy Production
 - \$54 Billion – transform energy distribution & production, power fuel-efficient vehicles & improve energy efficiency
 - \$20 Billion – tax cuts and credits for renewable energy research and production
- Creating Green Jobs
 - 500,000 new American jobs
- \$8 Billion – Renewable Energy Loan Guarantees



Braley Amendment

- Added during E&C Markup Thursday
- Creates new category for Renewable Energy Loan Guarantees
- Adds “leading edge biofuel projects” as third option for funding
- Biofuels portion: **\$500 million**
- must produce transportation fuels that substantially reduce life-cycle greenhouse gas emissions





Science and Technology



- \$16 Billion – Science and Technology Funding
 - \$10 Billion – Science Facilities and Research
 - Solve energy and climate challenges
 - Find cures and treatments for diseases
 - \$6 Billion – Expand Broadband Internet Access
 - Provide fast Internet service to rural and other unserved and underserved areas
 - Allow rural businesses to link up to global economy





Infrastructure Repairs and Improvements



- **\$90 Billion –(Create 1.8 million American Jobs)**
 - \$30 billion – highway & bridge construction
 - \$4.5 billion – Corps of Engineers for environmental restoration, flood protection, and navigation infrastructure
 - \$1.1 billion – Amtrak and passenger rail, including \$300 million for Intercity Passenger Rail Grant Fund
 - \$6 billion – Clean Water State Revolving Fund loans to help communities upgrade wastewater treatment systems
 - \$6 billion – buses and equipment to increase public transit and improve intermodal facilities



Education for the 21st Century

- \$141.6 Billion – Improve Classrooms & School Libraries; Help Children Compete in Global Economy
 - \$57.2 Million – Iowa's 1st District
 - \$15.6 Billion – increase maximum Pell Grant by \$500
 - \$300 Million – improve teacher quality and address teacher shortages
 - \$20 Billion – school modernization and technology



Tax Cuts and Incentives

- Tax Relief – 95% of American Workers
 - Refundable tax credit: \$500 per worker/\$1,000 per couple
 - First step towards permanent Middle Class tax relief
 - Child Tax Credit & Earned Income Tax Credit expansion
- Business Tax Incentives
 - Tax credit – hiring veterans and youth
 - Extending Small Business Expensing for greater capital investments and equipment purchases



Lowering Healthcare Costs and Modernizing Healthcare System

- \$3 Billion – prevention and wellness initiative
- \$87 Billion – temporary Medicaid increase, to provide Iowa with at least a 4.9% increase in federal Medicaid
- \$600 Million – training health care professionals through National Health Service Corps
- \$1.5 Billion – Community Health Clinics
- \$39 Billion – coverage for those who lose their jobs
- \$20 Billion – Health Information Technology
 - Cut Red Tape
 - Prevent Medical Mistakes
 - Create New Jobs



Helping Workers Hurt by Economy

- \$43 billion – increased unemployment benefits and job training
- \$39 billion – healthcare coverage for the unemployed through COBRA and short-term Medicaid eligibility
- \$20 billion – increase food stamp benefits by over 13% to defray rising food costs



Administration of the Stimulus

Methods used to distribute economic stimulus funds:

- Block & Formula Grants – Iowa State Departments and Agencies
- Community Development Block Grants (CDBG)
- Existing Federal Programs – Direct Increases in Appropriations Amounts
- Direct Allocations to Federal Agencies (Departments of Agriculture, Transportation, Energy, Education, Commerce, Health and Human Services, Etc.)



American Recovery and Reinvestment Act

Your Important Role:

- Iowans need to work together at the local, state, and federal level
- Get your project presentations ready:
 - ✓ Green?
 - ✓ Shovel ready?
 - ✓ Job creating?
- Make your case before appropriate state legislators and agencies
- Check my website (<http://braley.house.gov>) for latest information on federal economic stimulus

