



CONGRESSIONAL BUDGET OFFICE
U.S. Congress
Washington, DC 20515

January 30, 2009

Honorable David R. Obey
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has analyzed H.R. 1, the American Recovery and Reinvestment Act of 2009, as amended and passed by the House of Representatives on January 28, 2009. The following table summarizes our estimate of the budgetary impacts of that legislation; a more detailed table is enclosed. Over the 2009-2019 period, CBO estimates that enacting H.R. 1 would increase budget deficits by about \$820 billion.

CBO's estimate of the budgetary impact of H.R. 1, as passed by the House of Representatives, is about \$3.7 billion greater over the 2009-2019 period than the corresponding amounts shown in CBO's January 26, 2009, cost estimate for the version of H.R. 1 that was introduced on that day. That difference is attributable to four provisions adopted by the House of Representatives. An amendment to increase funding for the Department of Transportation's transit programs by \$3.0 billion accounts for most of the added costs over the 2009-2019 period.

ESTIMATED BUDGETARY IMPACT OF H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009

	By Fiscal Year, in Billions of Dollars											2009-
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
DIVISION A—APPROPRIATIONS ^a												
Estimated Budget Authority	276.9	66.5	4.1	3.6	2.8	1.4	1.4	1.4	1.4	0.9	0.4	361.0
Estimated Outlays	29.0	115.9	106.2	54.2	27.1	13.4	7.0	3.0	1.6	0.9	0.4	358.8
DIVISION B—DIRECT SPENDING ^b												
Estimated Budget Authority	78.4	121.1	56.6	7.1	7.1	15.0	5.0	-4.5	-3.6	-2.0	-1.6	278.5
Estimated Outlays	78.1	120.5	57.3	7.3	7.1	15.0	5.0	-4.5	-3.6	-2.0	-1.6	278.5
DIVISION B—REVENUES ^b												
Estimated Revenues	-62.5	-119.7	-11.2	12.2	8.1	4.1	0.7	-1.7	-3.4	-4.2	-4.8	-182.3
NET IMPACT ON THE DEFICIT												
Net Increase in the Deficit	169.6	356.1	174.6	49.3	26.1	24.4	11.3	0.3	1.4	3.0	3.5	819.5

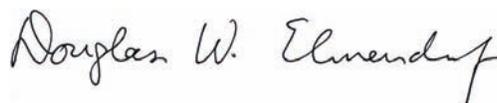
Sources: Congressional Budget Office and the Joint Committee on Taxation (JCT).

Note: Components may not sum to totals because of rounding.

- a. Most of the spending for Division A would stem from discretionary appropriations. The totals include about \$29 billion in 2009-2019 changes to mandatory programs that are contained in Division A.
- b. The Congressional Budget Office, in consultation with JCT, has concluded that the subsidy for health insurance assistance for the unemployed should be treated as an increase in outlays rather than a decrease in revenues. Although this treatment is different from that in the table provided in our estimate for H.R. 1 as introduced on January 26, the overall effect on the budget remains the same for each year. JCT has also adjusted its estimates of the mix of revenue losses and outlay increases associated with certain refundable tax credits; that change also has no effect on the budget totals for each year.

I hope this information is helpful to you. If you would like further details about this estimate, the CBO staff contact is Janet Airis.

Sincerely



Douglas W. Elmendorf
Director

Enclosure

cc: Honorable Jerry Lewis
Ranking Member

Honorable David R. Obey
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Honorable John M. Spratt Jr.
Chairman
Committee on the Budget

Honorable Paul Ryan
Ranking Member

Honorable Charles B. Rangel
Chairman
Committee on Ways and Means

Honorable Dave Camp
Ranking Member

Honorable Henry A. Waxman
Chairman
Committee on Energy and Commerce

Honorable Joe Barton
Ranking Member

ESTIMATED COST OF H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009

	By Fiscal Year, Millions of Dollars											Total 2009 - 2019
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Discretionary Spending 1/												
Division A												
Title I - General Provisions												
Budget Authority	248	0	0	0	0	0	0	0	0	0	0	248
Estimated Outlays	116	118	13	1	0	0	0	0	0	0	0	248
Title II - Agriculture, Nutrition, and Rural Development												
Distance Learning, Telemedicine, and Broadband Program												
Budget Authority	2,825	0	0	0	0	0	0	0	0	0	0	2,825
Estimated Outlays	71	396	664	650	537	367	140	0	0	0	0	2,825
Supplemental Nutrition Assistance Program												
Estimated Budget Authority	4,859	6,056	4,317	3,115	1,639	5	0	0	0	0	0	19,991
Estimated Outlays	4,809	6,056	4,367	3,115	1,639	5	0	0	0	0	0	19,991
Other												
Budget Authority	3,463	38	55	60	64	69	75	80	85	90	95	4,174
Estimated Outlays	750	1,130	760	531	244	231	128	79	84	89	94	4,120
Subtotal, Title II												
Budget Authority	11,147	6,094	4,372	3,175	1,703	74	75	80	85	90	95	26,990
Estimated Outlays	5,630	7,582	5,791	4,296	2,420	603	268	79	84	89	94	26,936
Title III - Commerce, Justice, and Science												
Wireless and Broadband Deployment Grants												
Budget Authority	2,825	0	0	0	0	0	0	0	0	0	0	2,825
Estimated Outlays	10	240	570	850	755	230	90	80	0	0	0	2,825
State and Local Law Enforcement Assistance												
Budget Authority	3,000	0	0	0	0	0	0	0	0	0	0	3,000
Estimated Outlays	450	900	600	450	600	0	0	0	0	0	0	3,000
National Science Foundation												
Budget Authority	3,000	0	0	0	0	0	0	0	0	0	0	3,000
Estimated Outlays	342	1,265	793	349	162	63	12	0	0	0	0	2,986
Other												
Budget Authority	5,350	0	0	0	0	0	0	0	0	0	0	5,350
Estimated Outlays	1,432	2,073	767	524	279	37	0	0	0	0	0	5,112
Subtotal, Title III												
Budget Authority	14,175	0	0	0	0	0	0	0	0	0	0	14,175
Estimated Outlays	2,234	4,478	2,730	2,173	1,796	330	102	80	0	0	0	13,923
Title IV - Defense												
Budget Authority	4,850	0	0	0	0	0	0	0	0	0	0	4,850
Estimated Outlays	1,782	2,264	596	135	37	12	3	0	0	0	0	4,829
Title V - Energy and Water												
Energy Efficiency and Renewable Energy												
Budget Authority	18,500	0	0	0	0	0	0	0	0	0	0	18,500
Estimated Outlays	450	2,185	3,530	4,065	3,950	2,890	1,059	271	100	0	0	18,500
Innovative Technology Loan Guarantee Program												
Budget Authority	8,000	0	0	0	0	0	0	0	0	0	0	8,000
Estimated Outlays	80	1,600	2,000	2,000	1,600	720	0	0	0	0	0	8,000
Other Energy Programs												
Budget Authority	10,910	175	275	475	875	1,050	1,050	1,050	1,050	490	0	17,400
Estimated Outlays	840	2,548	3,181	3,077	2,296	1,643	1,225	1,050	1,050	470	-30	17,350

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ESTIMATED COST OF H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009
(Continued)

By Fiscal Year, Millions of Dollars												Total
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009 - 2019
Discretionary Spending (continued) 1/												
Division A (continued)												
Corps of Engineers												
Budget Authority	4,500	0	0	0	0	0	0	0	0	0	0	4,500
Estimated Outlays	1,128	1,664	975	365	268	100	0	0	0	0	0	4,500
Other, Title V												
Budget Authority	500	0	0	0	0	0	0	0	0	0	0	500
Estimated Outlays	100	250	100	50	0	0	0	0	0	0	0	500
Subtotal, Title V												
Budget Authority	42,410	175	275	475	875	1,050	1,050	1,050	1,050	490	0	48,900
Estimated Outlays	2,598	8,247	9,786	9,557	8,114	5,353	2,284	1,321	1,150	470	-30	48,850
Title VI - Financial Services and and General Government												
Federal Buildings Fund												
Budget Authority	7,700	0	0	0	0	0	0	0	0	0	0	7,700
Estimated Outlays	400	900	1,400	1,600	1,500	900	500	200	100	0	0	7,500
Other												
Budget Authority	1,030	0	0	0	0	0	0	0	0	0	0	1,030
Estimated Outlays	112	821	90	6	0	0	0	0	0	0	0	1,029
Subtotal, Title VI												
Budget Authority	8,730	0	0	0	0	0	0	0	0	0	0	8,730
Estimated Outlays	512	1,721	1,490	1,606	1,500	900	500	200	100	0	0	8,529
Title VII - Homeland Security												
Budget Authority	1,100	0	0	0	0	0	0	0	0	0	0	1,100
Estimated Outlays	340	215	320	135	70	20	0	0	0	0	0	1,100
Title VIII - Interior and Environment												
Clean Water and Drinking Water												
State Revolving Funds												
Budget Authority	8,400	0	0	0	0	0	0	0	0	0	0	8,400
Estimated Outlays	283	2,050	2,460	1,670	815	449	169	101	57	38	24	8,116
Other												
Budget Authority	6,375	0	0	0	0	0	0	0	0	0	0	6,375
Estimated Outlays	993	2,390	1,353	935	467	25	25	25	0	0	0	6,213
Subtotal, Title VIII												
Budget Authority	14,775	0	0	0	0	0	0	0	0	0	0	14,775
Estimated Outlays	1,276	4,440	3,813	2,605	1,282	474	194	126	57	38	24	14,329
Title IX - Labor, Health and Human Services, and Education												
Department of Health and Human Services												
Budget Authority	14,632	5,798	0	0	0	0	0	0	0	0	0	20,430
Estimated Outlays	3,080	9,006	4,492	2,076	1,187	355	0	0	0	0	0	20,196
Employment and Training Administration												
Budget Authority	4,620	0	0	0	0	0	0	0	0	0	0	4,620
Estimated Outlays	618	2,246	1,301	265	0	0	0	0	0	0	0	4,430
Department of Education												
Facilities Modernization, Renovation, and Repair												
Budget Authority	20,000	0	0	0	0	0	0	0	0	0	0	20,000
Estimated Outlays	1,400	7,120	7,900	3,140	440	0	0	0	0	0	0	20,000
Student Financial Assistance and Student Loans												
Budget Authority	15,854	266	-500	-75	270	280	295	305	300	310	325	17,630
Estimated Outlays	663	14,013	831	-126	130	225	240	250	250	260	270	17,006

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ESTIMATED COST OF H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009
(Continued)

By Fiscal Year, Millions of Dollars												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2009 - 2019
Discretionary Spending (Continued) 1/												
Division A (continued)												
Other Education												
Budget Authority	14,358	14,683	0	0	0	0	0	0	0	0	0	29,041
Estimated Outlays	569	8,611	13,329	5,842	690	0	0	0	0	0	0	29,041
Other, Title IX												
Budget Authority	600	0	0	0	0	0	0	0	0	0	0	600
Estimated Outlays	87	228	163	97	5	4	4	2	0	0	0	590
Subtotal, Title IX												
Budget Authority	70,064	20,747	-500	-75	270	280	295	305	300	310	325	92,321
Estimated Outlays	6,417	41,224	28,016	11,294	2,452	584	244	252	250	260	270	91,263
Title X - Military Construction and Veterans Affairs												
Budget Authority	7,000	0	0	0	0	0	0	0	0	0	0	7,000
Estimated Outlays	426	2,119	2,288	1,290	575	207	55	0	0	0	0	6,960
Title XI - Department of State												
Budget Authority	500	0	0	0	0	0	0	0	0	0	0	500
Estimated Outlays	52	142	150	108	48	0	0	0	0	0	0	500
Title XII - Transportation and Housing and Urban Development												
Highway Construction												
Budget Authority	30,000	0	0	0	0	0	0	0	0	0	0	30,000
Estimated Outlays	3,000	7,500	6,000	4,500	3,300	3,000	2,100	600	0	0	0	30,000
Other Transportation												
Budget Authority	16,100	0	0	0	0	0	0	0	0	0	0	16,100
Estimated Outlays	1,705	2,595	3,710	2,900	2,265	1,570	995	360	0	0	0	16,100
Housing Assistance												
Budget Authority	11,147	13	0	0	0	0	0	0	0	0	0	11,160
Estimated Outlays	403	2,814	3,464	2,197	1,616	330	275	30	0	0	0	11,129
Community Development Fund												
Budget Authority	5,190	0	0	0	0	0	0	0	0	0	0	5,190
Estimated Outlays	250	1,250	1,980	1,140	460	50	0	0	0	0	0	5,130
Subtotal, Title XII												
Budget Authority	62,437	13	0	0	0	0	0	0	0	0	0	62,450
Estimated Outlays	5,358	14,159	15,154	10,737	7,641	4,950	3,370	990	0	0	0	62,359
Title XIII - State Fiscal Stabilization Fund												
Budget Authority	39,500	39,500	0	0	0	0	0	0	0	0	0	79,000
Estimated Outlays	2,283	29,191	36,012	10,310	1,204	0	0	0	0	0	0	79,000
Total, Division A												
Budget Authority	276,936	66,529	4,147	3,575	2,848	1,404	1,420	1,435	1,435	890	420	361,039
Estimated Outlays	29,024	115,900	106,159	54,247	27,139	13,433	7,020	3,048	1,641	857	358	358,826
Direct Spending												
Division B												
Title I - Tax Provisions 2/												
Estimated Budget Authority	4,211	36,940	35,894	663	654	646	638	629	620	611	601	82,107
Estimated Outlays	4,211	36,940	35,894	663	654	646	638	629	620	611	601	82,107
Title II - Assistance for Unemployed Workers and Struggling Families												
Extend Emergency Unemployment Benefits												
Estimated Budget Authority	11,740	15,310	0	0	0	0	0	0	0	0	0	27,050
Estimated Outlays	11,740	15,310	0	0	0	0	0	0	0	0	0	27,050

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ESTIMATED COST OF H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009
(Continued)

By Fiscal Year, Millions of Dollars												Total
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009 - 2019
Direct Spending (Continued)												
Division B (continued)												
Title II (continued)												
Other Unemployment Compensation												
Estimated Budget Authority	5,045	4,395	315	295	140	135	140	145	150	155	160	11,075
Estimated Outlays	5,045	4,395	315	295	140	135	140	145	150	155	160	11,075
SSI, TANF, Child Support												
Estimated Budget Authority	5,304	2,284	-35	-12	-3	-1	0	0	0	0	0	7,537
Estimated Outlays	4,965	1,697	643	168	45	11	4	1	0	0	0	7,534
Subtotal, Title II												
Estimated Budget Authority	22,089	21,989	280	283	137	134	140	145	150	155	160	45,662
Estimated Outlays	21,750	21,402	958	463	185	146	144	146	150	155	160	45,659
Title III - Health Insurance Assistance for the Unemployed 2/												
Estimated Budget Authority	18,703	18,083	3,759	185	30	0	0	0	0	0	0	40,760
Estimated Outlays	18,703	18,083	3,759	185	30	0	0	0	0	0	0	40,760
Title IV - Health Information Technology												
Estimated Budget Authority	398	138	4,002	5,900	6,260	14,248	4,183	-5,318	-4,428	-2,775	-2,370	20,238
Estimated Outlays	383	138	4,002	5,900	6,260	14,248	4,183	-5,310	-4,428	-2,775	-2,370	20,231
Title V - Medicaid Provisions												
Estimated Budget Authority	33,003	43,916	12,649	83	8	8	9	10	11	3	0	89,700
Estimated Outlays	33,003	43,916	12,649	83	8	8	9	10	11	3	0	89,700
Subtotal, Spending, Division B												
Estimated Budget Authority	78,404	121,066	56,584	7,114	7,089	15,036	4,970	-4,534	-3,647	-2,006	-1,609	278,467
Estimated Outlays	78,050	120,479	57,262	7,294	7,137	15,048	4,974	-4,525	-3,647	-2,006	-1,609	278,457
Revenues												
Title I - Tax Provisions 2/	-62,519	-119,613	-11,338	12,066	7,849	3,729	316	-2,209	-3,831	-4,701	-5,296	-185,559
Title II - Assistance for Unemployed Workers and Struggling Families	0	-165	-155	-230	-195	-120	-70	40	65	105	115	-610
Title III - Health Insurance Assistance for the Unemployed 2/	0	86	152	171	144	91	58	22	4	0	0	728
Title IV - Health Information Technology	0	0	115	240	350	400	410	405	400	435	430	3,185
Subtotal, Revenues, Division B												
	-62,519	-119,692	-11,226	12,247	8,148	4,100	714	-1,742	-3,362	-4,161	-4,751	-182,256
Net Impact on the Deficit, Division B												
	140,569	240,171	68,488	-4,953	-1,011	10,948	4,260	-2,783	-285	2,155	3,142	460,713
Net Impact on the Deficit												
Net Increase in the Deficit	169,593	356,071	174,647	49,294	26,128	24,381	11,280	265	1,356	3,012	3,500	819,539

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ESTIMATED COST OF H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009
(Continued)

By Fiscal Year, Millions of Dollars												Total
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009 - 2019
Memorandum												
On-Budget												
Estimated Budget Authority	355,340	187,595	60,741	10,709	9,967	16,470	6,430	-3,059	-2,202	-1,106	-1,179	639,706
Estimated Outlays	107,074	236,379	163,431	61,561	34,306	28,511	12,034	-1,437	-1,996	-1,139	-1,241	637,483
Estimated Revenues	-62,519	-119,692	-11,266	12,162	8,028	3,960	574	-1,882	-3,497	-4,311	-4,896	-183,351
Net Impact on the Deficit	169,593	356,071	174,697	49,399	26,278	24,551	11,460	445	1,501	3,172	3,655	820,834
Off-Budget												
Estimated Budget Authority	0	0	-10	-20	-30	-30	-40	-40	-10	-10	-10	-200
Estimated Outlays	0	0	-10	-20	-30	-30	-40	-40	-10	-10	-10	-200
Estimated Revenues	0	0	40	85	120	140	140	140	135	150	145	1,095
Net Impact on the Deficit	0	0	-50	-105	-150	-170	-180	-180	-145	-160	-155	-1,295
Unified Budget												
Estimated Budget Authority	355,340	187,595	60,731	10,689	9,937	16,440	6,390	-3,099	-2,212	-1,116	-1,189	639,506
Estimated Outlays	107,074	236,379	163,421	61,541	34,276	28,481	11,994	-1,477	-2,006	-1,149	-1,251	637,283
Estimated Revenues	-62,519	-119,692	-11,226	12,247	8,148	4,100	714	-1,742	-3,362	-4,161	-4,751	-182,256
Net Impact on the Deficit	169,593	356,071	174,647	49,294	26,128	24,381	11,280	265	1,356	3,012	3,500	819,539

Sources: Congressional Budget Office and the Joint Committee on Taxation (JCT).

Notes: TANF = Temporary Assistance for Needy Families; SSI = Supplemental Security Income Program.

The estimates in this table reflect an assumed enactment date in mid-February, 2009.
Outlays projected for 2009 would occur over a 7 1/2 month period.

Positive revenue numbers reflect decreases in the deficit; negative revenue numbers reflect increases in the deficit.

Components may not sum to totals because of rounding.

1. Includes estimates for changes to mandatory programs contained in Division A.
2. The Congressional Budget Office, in consultation with JCT, has concluded that the subsidy for health insurance assistance for the unemployed should be treated as an increase in outlays rather than a decrease in revenues. Although this treatment is different from that in the table provided in our estimate for H.R. 1 as introduced on January 26, the overall effect on the budget remains the same for each year. JCT has also adjusted its estimates of the mix of revenue losses and outlay increases associated with certain refundable tax credits; that change also has no effect on the budget totals for each year.