



Legislative Bulletin

BYRON L. DORGAN
CHAIRMAN

DPC Staff Contact: Erika Moritsugu, Policy Advisor (202) 224-3232
 DPC Press Contact: Barry Piatt (202) 224-2551
 Available Online: dpc.senate.gov (Intranet)

February 2, 2009

H.R. 1: the *American Recovery and Reinvestment Act of 2009*, as amended

Major Provisions.....	1
Investments in Jobs and Communities.....	1
Agriculture, Rural Development, Food and Drug Administration, and Related Agencies	1
Commerce, Justice, Science, and Related Agencies.....	2
Defense	4
Energy and Water Development.....	5
Financial Services and General Government	6
Homeland Security.....	7
Interior, Environment, and Related Agencies	8
Labor, Health and Human Services, Education, and Related Agencies	9
Legislative Branch.....	11
Military Construction and Veterans Affairs and Related Agencies.....	11
State, Foreign Operations, and Related Programs.....	12
Transportation and Housing and Urban Development and Related Agencies.....	13
Health Information Technology	14
State Fiscal Stabilization Fund	15
Relief for Families and Incentives for Businesses to Create and Retain Jobs.....	15
Tax Relief for Families	15
Tax Cuts and Incentives for Businesses	15
Tax Incentives for the Job-Rich Green Energy Sector.....	16
Financing Of Job-Creating Projects through State and Local Governments.....	17
Job-creating Tax Cuts and Incentives for Recovery Zones.....	17
FMAP.....	17
Healthcare	18
Job-Creating Investments in Health Information Technology.....	19
Unemployment Insurance	19
Assistance for Vulnerable Individuals.....	20
Temporary Assistance for Needy Families.....	20
Child Support Enforcement.....	21
Legislative History	21
Expected Amendments.....	21
Administration Position	21
CBO Estimate.....	22
Resources	22

As Americans contend with the painful effects of the most serious economic crisis in generations, the U.S. Congress is responding with a bold plan to revive our struggling economy, put millions of people to work, and lay the foundation for America's economic competitiveness in the 21st century.

The Senate version of the *American Recovery and Reinvestment Act of 2009* combines the work of the Senate Committees on Appropriations ([targeted spending priorities](#)) and Finance ([tax relief and incentives and mandatory programs](#)). It is estimated that the *American Recovery and Reinvestment Act* will create and maintain over 4 million jobs.

This critical legislation would create new jobs and save those that may be lost; cut taxes for the middle class; invest in America's future; and demand transparency and accountability to guarantee taxpayer money is used properly. Specifically, the *American Recovery and Reinvestment Act* would create and maintain jobs through targeted funding of infrastructure, renewable energy and other job-intensive projects, increased nutrition assistance, and broad-based tax relief. The bill would provide [incentives for businesses](#) to create and retain jobs, particularly in the job-rich green energy sector; aid to [states in fiscal crisis](#); [help with healthcare](#) for workers and struggling families; [job-creating investments in healthcare](#); and [expanded unemployment benefits](#).

Senate Democrats will work closely with Senate Republicans, the House of Representatives, and the Obama Administration in a bipartisan effort to enact strong and responsible legislation that will put our nation back on the road to economic recovery. Only by working quickly and working together in a bipartisan fashion can we re-energize our economy and make it work for everyone. We are in this together, and we will get out of this together.

On January 28, 2009, the House passed **H.R. 1**, its version of the *American Recovery and Reinvestment Act of 2009*. The Senate is scheduled to proceed to the consideration of **H.R. 1** on February 2, 2009. A substitute amendment is expected to be offered on behalf of Senators **Inouye** and **Baucus**. That amendment is the subject of this Legislative Bulletin.

Major Provisions

Investments in Jobs and Communities

The following describes provisions of S. 336, legislation that was reported out of the Senate Committee on Appropriations on January 27, 2009; it is possible that the substitute amendment to be offered on the Senate floor will contain some modifications to the reported version.

Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for:

- **Watershed Rehabilitation and Flood Protection** to support flood control projects, water quality improvement, soil erosion control, animal waste management, irrigation, water management, water supply development, and recreation enhancement (\$275 million for watershed and flood prevention activities and \$120 million for the Watershed Rehabilitation Program);

- **Rural Housing Service** for approximately 105,000 very low to moderate income rural households (\$200 million in budget authority to support \$11.472 billion in direct and guaranteed single family housing loans);
- **Rural Community Facilities** for hospitals, health clinics, health and safety vehicles and equipment, public buildings, and child and elder care facilities (\$127 million in budget authority to support \$1.546 billion in loans and grants). Funding for the Rural Community Facilities program is important because it provides affordable capital to rural communities so that they can fund critical services;
- **Food Distribution Program for American Indians** for the approximate 86,000 low-income Native Americans who receive monthly benefits in lieu of SNAP benefits. Current law prohibits these beneficiaries from receiving SNAP benefits and SNAP offices or authorized stores are frequently not accessible to these beneficiaries. (\$5 million);
- **Rural Business Cooperative Service** to support \$3.01 billion in loans and grants to support income and employment expansion (\$150 million in budget authority).
- **Biorefinery Assistance** to provide funding for the development, construction and retrofitting of viable commercial-scale biorefineries which produce advanced biofuels like cellulosic ethanol (\$200 million for grants and loans for biorefineries);
- **Rural Energy for America** would provide \$50 million in loans and grants for renewable energy and energy efficiency development among agricultural producers and rural small businesses. This program was recently reauthorized in the 2007 Farm Bill and was formerly named the Section 9006 renewable energy and energy efficiency program;
- **Rural Water and Waste Disposal Program** for water and waste disposal facilities in rural areas (\$1.375 billion in budget authority to support \$2.82 billion in loans and \$963 million in grant). The Rural Water and Waste Disposal Program funds the installation, repair, improvement, or expansion of rural water facilities as well as the installation, repair, improvement, or expansion of a rural waste disposal facility;
- **Special Supplemental Nutrition Program for Women, Infants and Children** (WIC) to provide funding grants to states so that pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk have supplemental foods, health care referrals, and nutrition education (\$380 million);
- **Supplemental Nutrition Assistance Program** to ensure that all SNAP recipients—approximately 14 million households made up of more than 30 million people—would receive a benefit increase (\$16.56 billion (\$8.231 for Fiscal Year 2009 and \$8.331 in future years advance appropriations)). This is especially important because research from the Department of Agriculture has found that each dollar SNAP recipient receives it produces \$1.84 in economic activity; economist Mark Zandi calculates the increased economic activity at \$1.73; and
- **Emergency Food Assistance Program** to provide food to the states for its low-income and unemployed citizens (\$150 million). The individual states are in charge of the administration and distribution of the food to local food banks, food pantries, and soup kitchens that directly serve low-income and unemployed individuals.

Commerce, Justice, Science, and Related Agencies

Nearly every sector of the American job market has suffered massive job loss, including in the justice, science and technology sectors. Hiring in these fields will safeguard and grow the

middle-class while protecting our communities and strengthening American competitiveness. Getting America back to work is a critical component of short-term economic recovery and long-term economic success.

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the **Department of Commerce** for:

- **Economic Development Administration** to create nearly 35,000 new jobs and raise incomes in underutilized and struggling communities by leveraging private funds through public works grants and providing economic adjustment grants to communities hit by sudden and severe job loss due to corporate restructuring (\$150 million);
- **Periodic Censuses and Programs Account** to hire personnel to support the 2010 Census, with an emphasis on conducting adequate outreach to hard to reach and underserved communities (\$1 billion);
- **Broadband Technology Opportunities Program** to expand broadband access in rural and other underserved areas in an effort to spur economic growth, innovation, and job creation (\$9 billion for this account within the National Telecommunications and Information Administration);
- **Digital-to Analog Converter Box Program** to ensure all Americans make the Digital Transition by providing additional coupons (\$650 million for this account within the National Telecommunications and Information Administration);
- **National Institute of Standards and Technology** to create 7,000 jobs that reflect the nation's innovation and industrial competitiveness goals (\$575 million);
- **National Oceanic and Atmospheric Administration** to create 6,000 jobs in marine and environmental research communities (\$1.22 billion); and
- **Office of Inspector General** to ensure the proper use of public funds at the Department of Commerce (\$6 million).

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the **Department of Justice** for:

- **Detention Trustee** to invest in detention center infrastructure (\$150 million);
- **U.S. Marshals Service** to hire law enforcement personnel at the to enable officials to better investigate and prosecute child predators under the *Adam Walsh Child Protection and Safety Act* (\$50 million), and invest in new and existing agency infrastructure (\$125 million);
- **Federal Bureau of Investigation** to aggressively investigate mortgage fraud and market manipulation on Wall Street (\$75 million) and invest in high priority construction projects (\$400 million);
- **Federal Prison System** to invest in prison infrastructure to alleviate over-crowding and improve health and safety (\$1 billion);
- **State and Local Law Enforcement** to assist states and localities across the nation that are dealing with one of the great ironies of any economic downturn via formula and competitive grant programs: while resources are down, need is up, especially for social services and law enforcement;
- **Office of Violence Against Women** to provide additional resources to address and combat increased cases of domestic violence, rape, and sexual assault, including providing transitional housing assistance (\$300 million);

- **Office of Justice Programs: State and Local Law Enforcement Assistance** (2.64 billion) to provide additional resources for:
 - **Byrne-Justice Assistance Grants** program, which is the greatest federal source helping cops-on-the-beat prevent, fight, and prosecute crime (\$1.5 billion);
 - The **Byrne Competitive Grants** program, which is an additional resource used by governments and non-profits for crime prevention, justice administration, victim assistance, and mentoring for at-risk youth (\$440 million);
 - The **Rural Drug Enforcement Assistance** program, which addresses the special needs of rural communities faced with drug-related crime and can be used to hire additional police officers (\$150 million);
 - The **Southwest Border/Project Gunrunner**, which provides grants to law enforcement in Southern border communities or High-Intensity Drug Trafficking Areas to combat criminal narcotic activity (\$100 million);
 - The **Victims Compensation** program, which is provides resources for victims service professionals (\$100 million);
 - The **Tribal Law Enforcement Assistance**, which is a resource for tribal communities to fund law enforcement, courts, detention facilities, and substance abuse programs (\$300 million); and
 - The **Internet Crimes Against Children Task Force Program**, which is used to investigate and prevent the sexual exploitation of children online (\$50 million);
- **Community Oriented Policing Services** to hire additional police officers through the COPS Hiring Program (\$1 billion, including a waiver of the outdated \$75,000 salary over three years cap on federal contribution); and
- **The Office of Inspector General** to ensure the proper use of public funds at the Department of Justice (\$2 million).

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for **science** for the:

- **National Aeronautics and Space Administration** to ensure long-term economic competitiveness and create over \$10,000 new jobs (including \$8,000 high-tech jobs) by shortening the length of time when the U.S. will be without a manned space vehicle (the Space Shuttle is scheduled to be retired in 2010) and investing in climate change and environmental research (\$1.5 billion);
- **National Science Foundation** to meet competitiveness goals and create 25,000 new jobs by funding research at the nation's colleges and universities (\$1.4 billion); and
- **Office of Inspector General** to ensure the proper use of public funds in these science agencies (\$2 million).

Defense

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for vital improvements in DOD facilities, which are critical to advancing services and care at the Department of Defense (DOD) and creating and sustaining economic growth, including funding for:

- **DOD Facility Infrastructure** for sustainment, restoration, and modernization of Defense facilities (\$2.98 billion);
- **Alternative Energy Vehicles**, with \$200 million in funding for Operation and Maintenance funds for the Army, Navy, Air Force, and Marine Corps for the lease of alternative energy vehicles; \$100 million to DOD for the procurement of lithium ion batteries, robotics, fuel cells, and other alternative vehicle technologies; and \$200 million in Defense-wide Research, Development, Test and Evaluation (RDT&E) for the Manufacturing Technology Program, for rapid technology transitions and energy efficient technologies for use by operational forces and military installations;
- **Defense Health Facilities** to repair and modernize facilities, including \$250 million to the Defense Health Program, including \$130 million for the Army and \$120 million for the Air Force to invest in energy efficiency projects and improve the repair and modernization of Defense Health Facilities; and
- **Office of Inspector General** to provide additional oversight of contracted services for DOD programs, including military construction (\$12 million).

Energy and Water Development

The *American Recovery and Reinvestment Act of 2009* includes investments for:

- **Army Corps of Engineers** to reduce flood and storm damages, restore the environment, and provide transportation savings to the country (\$4.6 billion). The funding level provided is estimated to create 139,000 jobs nationwide, directly creating almost 37,000 new private sector jobs, and 102,000 new jobs are estimated to be created in industries supplying the construction and operations and maintenance activities;
- **Bureau of Reclamation**, which provides water to more than 31 million people, and provides one out of five Western farmers (140,000) with irrigation water for 10 million acres of farmland that produce 60 percent of the nation's vegetables and 25 percent of its fruits and nuts (\$1.4 billion). The funding level provided is estimated to create 42,500 jobs nationwide, directly creating almost 11,500 new private sector jobs. 31,000 new jobs are estimated to be created in industries supplying the funded activities and the industries that sell goods and services to these new workers and their families;
- **Weatherization Assistance Program** (\$2.9 billion). The investment of every \$1 in the weatherization program returns \$2.72 in energy and non-energy related benefits and creates 52 direct jobs and 23 indirect jobs for every \$1 million invested;
- **State Energy Programs** (\$500 million). The funding provided to the states through this program is typically leveraged with additional state funding and has historically every \$1 invested in the program produces savings of \$7.23 in reduced energy bills;
- **Energy Efficiency and Conservation Block Grants**, a program that was authorized by the *Energy Independence and Security Act of 2007* and is designed to reduce fossil fuel emissions, reduce energy usage, and promote energy efficiency improvements in the transportation and building sections (\$4.2 billion);
- **Advanced Battery Manufacturing** for grants for the manufacturing of advanced batteries and components (\$2 billion). This funding is important because nearly all batteries made for hybrid electric vehicles are currently made in Pacific Rim and this funding will help create battery manufacturing jobs in the United States;
- **Transportation Electrification** to provide \$200 million in grants to States, as authorized by Section 131 of the *Energy Independence and Security Act of 2007* to

encourage plug-in electric drive vehicles and for near-term and large-scale transportation electrification projects;

- **Advanced Vehicles** grants to be allocated to local governments through the Clean Cities Program for the acquisition of alternative fueled vehicles, fuel cell vehicles, buses, and electric vehicles (\$350 million);
- **Fossil Energy** for research and development (\$4.6 billion), of which \$2 billion is dedicated for one or more near-zero emission power plants that are designed to capture and sequester a high percentage of its carbon dioxide emissions. An additional \$1 billion in funding is provided for Round III of the Clean Coal Power Initiative. Additionally, \$1.52 billion is designated for carbon capture from industrial sources as authorized by the *Energy Independence and Security Act of 2007*;
- **Office of Renewable Energy and Energy Efficiency** for the Department of Energy's Office of Renewable Energy and Energy Efficiency (\$2.648 billion);
- **SmartGrid** to improve the security and reliability of the electricity grid by using digital technology to allow two-way communication between electricity generators and consumers (\$4.4 billion). This is important because it will better allow the integration of large scale wind and solar energy into the electricity grid;
- **Innovative Technology Loan Guarantee Program** to support loan guarantees for projects like wind, solar, and transmission projects (\$10 billion).). The legislation would also authorize up to \$50 billion in new loan guarantees under the existing DOE Title XVII program from the *Energy Policy Act of 2005*;
- **Energy Efficiency Improvements for Schools and Hospitals** to implement section 399A of the *Energy Policy and Conservation Act* since hospitals and schools use large amounts of energy and have been particularly hard hit by the economic crisis (\$1.6 billion); and
- **Western Area Power Administration and Bonneville Power Administration.** The two entities would each be provided \$3.25 billion in new borrowing authority to finance and facilitate its development of renewable energy transmission capacity.

Financial Services and General Government

The *American Recovery and Reinvestment Act of 2009* would create and support jobs while making important lasting investments in our communities and institutions, including funding for:

- **Community Development Financial Institutions Fund Program Account** to invest in the development of underserved communities through grants, loans, equity investments, deposits, and technical assistance grants to enable community institutions to engage in lending and investment for affordable housing, small business, and community development (\$250 million);
- **Construction and maintenance of the District of Columbia's combined sewer system** (\$125 million in matching funds);
- **Construction, acquisition, repair, and alteration of federal buildings, courthouse, and border stations; and conversion of federal facilities to "High-Performance Green Buildings"** (\$9.048 billion to the General Services Administration of which \$6 billion is dedicated to green federal buildings);
- **Purchase of fuel efficient vehicles** for the federal fleet of vehicles (\$600 million to the General Services Administration); and

- **Small Business Administration** to jumpstart lending for small businesses so that they can recover and thrive with added resources for the SBA's Microloan program, surety bond guarantees, and Business Loans Program; and the temporary elimination of fees associated with the 7(a) general business guaranteed loan program and 504 guaranteed loan program (\$730 million).

The *American Recovery and Reinvestment Act of 2009* would also create and fund the Recovery Act Accountability and Transparency Board to ensure the accountability, transparency, and oversight of spending under the this legislation.

Homeland Security

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the Department of Homeland Security (DHS) to secure the homeland and promote economic activity, including funding for:

- **Department of Homeland Security consolidation** with funding for the Office of the Under Secretary for Management for DHS headquarters consolidation project, which is estimated to create direct employment opportunities for 32,917 people in the region (\$248 million);
- **DHS Office of Inspector General** to fund oversight and audit of programs, grants, and projects (\$5 million);
- **Border protection** with funding for U.S. Immigration and Customs Enforcement Automation Modernization (\$27.8 million). It also includes funds for the U.S. Customs and Border Protection (CBP), as follows:
 - \$198 million for CBP Salaries and Expenses, including \$100.8 million for the procurement and deployment of non-intrusive port security inspection systems and \$97.2 million for the procurement and deployment of tactical communications equipment and radios;
 - \$200 million for Border Security, Fencing, Infrastructure, and Technology, for expedited development and deployment of border security technology on the Southwest border; and
 - \$800 million for Construction, to construct, alter, repair, enhance, expand, and/or improve CBP-owned land border ports of entry. CBP estimates that this will create more than 8,700 jobs;
- **Aviation Security** with funding for the Transportation Security Administration (TSA) to accelerate the procurement and installation of baggage screening and checkpoint security equipment at airports across the country. These funds will allow TSA to address high priority optimal baggage screening projects at approximately 20 airports. (\$1.2 billion);
- **Coast Guard** to fund critical construction, repair and improvement initiatives. The bill would provide a total of \$813 million for the Coast Guard, including \$572.5 million for construction and repair of shoreline facilities; new and existing polar icebreaker development, repair and renovation; and emergency maintenance of high endurance cutters and \$240.4 million for the alteration of bridges that are a danger to navigation. The Coast Guard has estimated that the alteration of bridges funds will create approximately 1,630 jobs; and

- **Preparedness initiatives and emergency response programs** with funding for high-priority FEMA initiatives, including:
 - \$6 million for six rapidly deployable communications response vehicles;
 - \$950 million for grants to State and local governments, to modify and upgrade vulnerable infrastructure, including \$100 million for Public Transportation Security Assistance, Railroad Security Assistance, and Systemwide Amtrak Security Upgrades; \$100 million for Port Security Grants; \$250 million for competitive grants to construct state and local emergency operations centers and fusion centers; and \$500 million to secure high-risk critical infrastructure such as dams, tunnels, and bridges;
 - \$500 million for Firefighter Assistance Grants to fund competitive grants for upgrading and building state and local fire stations; and
 - \$100 million to support the Emergency Food and Shelter Program; and
 - Expanded access to the Disaster Assistance Direct Loan Program Account. The legislation would grant additional access to communities whose local economies have been significantly impacted by a Presidentially-declared disaster in 2008, allowing them to apply for loans up to 50 percent of their pre-storm revenue, rather than being capped at \$5 million.

Additional funding is provided in this title as follows:

- \$15 million for Federal Law Enforcement Training Center acquisition, construction and improvements; and
- \$14 million for Science and Technology to expand cyber security research to better address critical infrastructure vulnerabilities.

Interior, Environment, and Related Agencies

The *American Recovery and Reinvestment Act of 2009* includes investments for:

- **State and Tribal Assistance Grants** (\$6.4 billion). \$4 billion is dedicated to the Clean Water State Revolving Funds and \$2 billion to the Drinking Water State Revolving Fund. The legislation emphasizes “shovel ready projects” and also mandates that at least 15 percent of the funding support green infrastructure, water efficiency or other environmentally innovative water quality improvement projects;
- **Wildland Fire Management** (\$650 million) \$300 million is dedicated for projects on federal land and \$350 million for projects on State and private land. This funding is important since the number fires and acreage burned have increased dramatically in the last half of the decade;
- **National Park Service** (\$802 million). \$135 million is allocated for deferred maintenance of facilities and \$23 million for deferred maintenance of trails. This funding is important because despite repeated promises to decrease the backlog in national park maintenance by the previous Administration, the backlog is now considerably higher than it was in 2000. The bill would also provide \$180 million for repair and restoration of roads managed by the National Park Service and \$310 million for facilities construction;
- **Bureau of Land Management** (\$330 million). \$180 million would be spent on construction, reconstruction, and the repair of roads and bridges on public land.

Additionally, the legislation would dedicate \$80 million of the \$330 million for deferred maintenance projects; and

- **Bureau of Indian Affairs** (\$572 million). \$522 million would be allocated for construction at Bureau of Indian Affairs funded facilities such as schools, detention centers, dam improvements, and road and bridge maintenance. The legislation would also fund \$40 million for the Operation of Indian Programs' housing improvement program and workforce construction training. The bill would also provide \$10 million in loan guarantees for Indian-owned businesses.

Labor, Health and Human Services, Education, and Related Agencies

Our nation's current economic crisis has only exacerbated the need for quality employment and training services, health care, education, and other services. When Americans lose their jobs in sectors or communities where there are none, they need help finding new jobs and the education and training to do those jobs. When Americans lose their jobs, and, consequently, their health benefits, they also need health care and other services for themselves and their families. Moreover, as America looks toward finding not only short-term solutions to address our current crisis, but long-term solutions to stave-off future crises and ensure a thriving America for years to come, we must invest in educational opportunities for our children and young adults.

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the **Department of Labor** for:

- **Employment and Training Administration** to provide training and employment services to low-income, young, dislocated, and hard-to-serve populations, including long-term unemployed, low-skilled, elderly, and disabled Americans, with an emphasis on those activities that will have an immediate impact, provide training in high growth and emerging industries, and have a long-term value (\$3.25 billion, which includes \$450 million for the dislocated worker national reserve.); spur employment for lower-income, older Americans in fields that provide community service (\$120 million); and help unemployed Americans find employment opportunities (\$400 million);
- **Office of Job Corps** to provide additional resources to help Americans build new careers, including in the energy efficiency, renewable energy, and environmental protection industries (\$160 million); and
- **Office of Inspector General** to ensure the proper use of public funds at the Department of Labor (\$3 million).

The *American Recovery and Reinvestment Act of 2009* would provide approximately \$16 billion in appropriations for the **Department of Health and Human Services** for:

- **Nation's Community Health Centers** for construction and renovation (\$1 billion);
- **Centers for Disease Control and Prevention** for construction, acquisition, renovation, and the equipment of buildings and facilities (\$412 million);
- **National Institutes of Health** for biomedical research in areas such as cancer, Alzheimer's heart disease and stem cells, and to update and improve equipment and facilities (\$3.5 billion);
- **Indian Health Service and Indian Health Facilities** for contract health [funding](#) and health information technology activities as well as construction of sanitation and

water facilities and health facilities (\$545 million; \$135 million for Indian Health Service and \$410 million Indian Health Facilities);

- **Agency for Healthcare Research and Quality, NIH, and the HHS office of the Secretary** to support comparative clinical effectiveness research to evaluate the effectiveness of different health care services and treatment options (\$1.1 billion);
- **Critical programs targeted at low-income families and underserved populations**, including the Child Care and Development Block Grants (\$2 billion to provide child care services for an additional 300,000 children in low-income families), Head Start and Early Head Start (\$2.1 billion to allow an additional 124,000 children to participate in programs including, educational, health, nutritional, social and other activities);
- **Community Services Block Grant** to local community action agencies for services to the growing numbers of low-income families hurt by the economic crisis, such as housing and mortgage counseling, jobs skills training, food pantry assistance, and outreach and enrollment to help families apply for services (\$200 million);
- **Social Services Block Grant** for states and local non-profits to deliver critical services to unemployed and low-income individuals. The funding will be targeted to states demonstrating the greatest need based on unemployment levels and unemployment rates (\$400 million);
- **Senior meals programs** to meet the growing needs of this community during the economic crisis as food and fuel costs rise (\$100 million for an additional 30 million meals);
- **Healthcare Workforce for training and placement of health care providers** in communities with shortages (\$600 billion);
- **Office of the National Coordinator for Health Information Technology** to provide resources for the development and expansion of health information technology activities to increase utilization, improve the security of information collected and facilitate the purchase of equipment by health care providers (\$5 billion);
- **Health prevention activities** (\$5.8 billion) to invest in and expand evidence-based activities to prevent diseases including health screenings and education (\$1 billion), immunizations (\$750 million), and community-based prevention initiatives to promote healthy behavior (\$400 million); and
- **Complete the funding for pandemic flu preparedness** (\$870 million).

The *American Recovery and Reinvestment Act of 2009* would provide approximately \$125 billion in appropriations for the **Department of Education** for:

- **The State Fiscal Stabilization Fund** to assist States struggling to meet their fiscal shortfalls including, funds to local school districts and public colleges and universities (\$39 billion), incentive grants for States when they meet education performance measures (\$15 billion), and resources for States to use for high-priority needs which may include education (\$25 billion)(\$79 billion total);
- **School Improvement Grant programs** to invest in the development of disadvantaged communities through funding that allows States to provide assistance to schools not making adequate yearly progress for at least two years(\$2 billion);
- **Services to the growing number of homeless students**, displaced by the foreclosure crisis, including funding to districts for transportation and other services to ensure that homeless students are not forced to leave their school (\$70 million);

- **Renovation, repair and building of public schools**, including early learning facilities, to reduce the growing backlog of infrastructure improvements in ways that will provide greater energy efficiency and provide students with improved access to technology (\$16 billion for school modernization);
- **Special Education resources** to enhance services and improve outcomes for children with disabilities and expand services to underserved disabled populations, including IDEA Early Childhood education formula grants (\$500 million) to help states serve children with disabilities age 2 and younger (\$13 billion total);
- **Student financial assistance**, including additional financing for Pell Grants (\$13.9 billion) which will assist seven million students pursue postsecondary education (increased maximum award of \$281 in the 2009 - 2010 academic year and \$400 in the 2010 – 2011 academic year), and increased funding for Federal Perkins loans capital contributions (\$61 million);
- **Teacher Quality Partnership Grants** to improve the quality of new teachers and recruit highly qualified individuals to join the teaching force, including outreach to minorities and individuals employed in other occupations (\$100 million);
- **Instructional equipment for institutions of higher education**, including funds for states distributed in proportion to the share of full-time undergraduate students in each state, and requiring states to direct a share of funding to community colleges (\$3.5 Billion); and
- **Office of Inspector General** to ensure the proper use of public funds at the Department of Education (\$4 million).

Legislative Branch

The *American Recovery and Reinvestment Act of 2009* would provide \$20 million for the Government Accountability Office to ensure rigorous oversight of the economic recovery package funds used at the federal, state, and local level. The legislation would also provide that audits of stimulus funds be placed immediately on the Internet.

Military Construction and Veterans Affairs and Related Agencies

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for:

- **Military construction and family housing** to enhance the quality of life for America's military personnel and their families and to provide new and sustained employment to stimulate the economy. Based on estimates by the Army Corps of Engineers and the Navy Facilities Engineering Command, these investments, along with an additional \$613 million in energy-related military construction and upgrades, will generate and sustain as many as 85,870 jobs. Highlights of military construction funding include:
 - \$353.8 million for child development centers at U.S. military installations;
 - \$314.5 million for military family health care clinics;
 - \$505 million for Warrior Transition Complexes, to meet the medical and social service needs of wounded military personnel and their families;
 - \$831.5 million to provide needed new and replacement housing for America's military troops;
 - \$150 million for Army National Guard community-based readiness centers;

- \$110 million for the Air National Guard for operational readiness, energy upgrades, and alternative energy projects;
- \$410.9 million to expand the Homeowners Assistance Program to wounded warriors and qualified military and civilian personnel who receive orders to relocate and cannot sell their homes or face steep losses due to the mortgage crisis;
- **Department of Veterans Affairs** to modernize and enhance VA services to better care for our nation's veterans. The bill would provide \$3.94 billion [Figure from committee report; \$3.7 billion cited in press release] for hospital and medical facility construction and improvements, long-term facilities care for veterans, and improvements at VA national cemeteries. According to VA estimates, this funding will create an average of 102,823 jobs in all 50 states and the District of Columbia. Highlights of VA construction funding include:
 - \$329 million in energy-related construction projects;
 - \$1.37 billion for the Veterans Health Administration, to address the backlog of maintenance and repairs at VA medical facilities;
 - \$1.1 billion for major projects construction, including \$994 million to begin construction of new hospitals and expedite construction of projects underway, and \$111.5 million for national cemetery construction;
 - \$939.8 million for minor projects construction, to fund construction projects, repairs and expansion of VA medical facilities, VA national cemeteries, and Veterans Benefits Administration (VBA) facilities, and to initiate energy conservation projects;
 - \$258 million for Grants for Construction of State Extended Care Facilities, for the construction and repair of State long-term care veterans' homes;
 - \$64.9 million for the National Cemetery Administration for infrastructure repair;
 - \$195 million for information technology systems, including \$145 million for the VBA to develop paperless claims processing and \$50 million for the VBA to develop systems necessary to implement the new GI bill education benefit; and
 - \$4.4 million for the Office of Inspector General to provide independent oversight audits of programs funded under this title; and
- **Arlington National Cemetery** for the completion of site development and expansion efforts at Arlington National Cemetery (\$60.3 million).

State, Foreign Operations, and Related Programs

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the **Department of State** for:

- **Diplomatic and Consular Programs** (\$180.5 million total) for immediate domestic facilities requirements to enhance the efficiency of the Department's domestic operations and create an estimated 1,436 jobs. This includes funding to upgrade facilities in the Border Security Program to improve passport operations and services (up to \$45 million); funding to contribute to an ongoing construction project expanding an existing security training facility to strengthen security at U.S. embassies in the Worldwide Security Protection Program (up to \$75 million); and funding for facilities upgrades to improve the efficiency of human resources and diplomatic support functions (up to \$60.5 million);

- **Capital Investment Fund** (\$524 million total) for immediate information technology upgrades, estimated to create 388 jobs in the United States. Included in this amount is funding for the design and construction of a backup information management facility to protect the Department from mission technology failures (up to \$120 million); funding for the Comprehensive National Cybersecurity Initiative to prevent and address cybersecurity threats (up to \$98.5 million); and funding for immediate upgrades to the Department's information technology platforms (up to \$305.4 million); and
- **Office of the Inspector General** to conduct oversight of programs funded under this legislation (\$2 million).

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for **International Commissions** for:

- **International Boundary and Water Commission, United States and Mexico** (\$224 million total) to fund the immediate repair and rehabilitation requirements, primarily upgrades to levees and dams, in the water quality program to protect border communities from natural disasters and create an estimated 305 jobs in the United States. Included in this amount is funding for management and oversight of this program (\$2 million).

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the **United States Agency for International Development (USAID)** for:

- **Capital Investment Fund** (\$100 million total) to fund immediate information technology modernization and upgrades and to create an estimated 300 jobs in the United States. Of this amount, funds are provided for information technology upgrades (up to \$34 million) and for the Global Acquisition System to improve accountability of agency resources (\$35 million) to improve the efficiency of the Agency.
- **USAID Inspector General** to conduct oversight of programs funded in this act (\$500,000).

Transportation and Housing and Urban Development and Related Agencies

Each year, Americans invest trillions in taxes so that, in good times and bad, government can work for them and their families. With unemployment at the highest rate in 15 years, job creation the slowest in decades, and home foreclosures up by more than 80 percent in the last year, never before have Americans needed a return on our investment as we do now in the form of job creation and affordable housing.

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the **Department of Transportation** for:

- **Federal Aviation Administration.** This funding is important because the FAA simultaneously faces significant challenges in meeting increased demand and safety needs and a substantial facility maintenance backlog (power systems, air route traffic control centers and towers, and runway lighting). (\$1.3 billion);
- **Federal Highway Administration** for highway investment grants. This funding is important because according to economist Mark Zandi, every dollar invested in infrastructure produces 7 \$1.54 in economic activity and the States have over 5,100 projects that could be under contract within 180 days (\$27.06 billion);

- **Federal Transit Administration** for mass transit investments (\$8.4 billion). A January 2009 survey of the American Public Transportation Association identified 787 “ready-to-go” transit projects totaling \$15.9 billion; and
- **Federal Railroad Administration** for rail transportation (\$3.1 billion). \$2 billion would be available for high-speed rail, \$850 million is dedicated for Amtrak, and \$250 million for intercity rail. The funding that would be appropriated follows the passage of H.R. 2095 in the 110th Congress which authorized increased significant new spending in high speed rail, Amtrak, and intercity rail.

The *American Recovery and Reinvestment Act of 2009* would provide appropriations for the **Department of Housing and Urban Development** for:

- **Native American Housing Block Grants** to meet the specific housing needs of tribal communities, which have also been exacerbated by the economic downturn (\$510 million);
- **Public Housing Capital Fund** to meet the growing housing needs of lower-income Americans by modernizing and providing capital support to public housing authorities, including funding for resident relocation and homeownership programs (\$5 billion);
- **Neighborhood Stabilization Program** to help neighborhoods quickly rebuild and recover from mass home foreclosures by funding projects that purchase and rehabilitate abandoned properties (\$2.25 billion);
- **Home Investment Partnerships Program** to increase the availability of affordable housing for low- and very-low income people, with an emphasis placed on projects that use energy efficient and green technologies (\$2.25 billion);
- **Homelessness Prevention Fund** to provide assistance to Americans who have recently become homeless or are tinkering on the brink of homelessness due to default, foreclosure, eviction, or vulnerabilities exacerbated by the recession (\$1.5 billion);
- **Assisted Housing Stability and Energy and Green Retrofit Investments** to stabilize and improve the energy efficiency of Section 8, Housing for the Elderly, or Housing for the Disabled housing in an effort to reduce costs for tenants (\$3.5 billion);
- **Office of Health Homes and Lead Hazard Control** to reduce the lead hazard in private low-income housing (\$100 million);
- **Office of Inspector General** to ensure the proper use of public funds at the Department of Housing and Urban Development (\$2.75 million).

Health Information Technology

The *American Recovery and Reinvestment Act of 2009* would provide appropriations to encourage efficiency and cost-savings in the provision of health care and create jobs, including funding for:

- **Development of health information technology systems** through the Health Information Technology for Economic and Clinical Health Act (HITECH) to enable health care providers the opportunity to improve the quality and efficiency of care through the development, adoption and use of health information technology (IT) (\$5 billion);
- **States and health care providers** to facilitate and expand the electronic exchange of health information including upgrades to meet new federal privacy and compatibility

standards for early adopters of health IT, investments in pilot initiatives to test best practices in health IT;

- **Low interest loans** to encourage the purchase and use of health IT by health providers and train employees in the use of the technology; and
- **Enhanced privacy protection** of personal health information through strengthened standards.

The *American Recovery and Reinvestment Act of 2009* would also codify the role of the National Coordinator for Health Information Technology to coordinate health IT initiatives and create a Health Information Technology Policy Committee to recommend policies to the Coordinator.

State Fiscal Stabilization Fund

The *American Recovery and Reinvestment Act of 2009* would provide \$79 billion in appropriations for in the Department of Education for a new State Fiscal Stabilization Fund to help State prevent tax increases and cutbacks in education other hi-priority services over the next two years.

Relief for Families and Incentives for Businesses to Create and Retain Jobs

The following describes provisions of legislation that were reported out of the Senate Committee on Finance on January 27, 2009; it is possible that the substitute amendment offered on the floor will contain modifications to this language.

Tax Relief for Families

The *American Recovery and Reinvestment Act of 2009* would provide tax relief and investments to help families and individuals, including:

- Relief from the Alternative Minimum Tax to protect as many as 24 million working families from this additional tax in 2009;
- Creation of the Making Work Pay Credit, an individual tax credit in the amount of 6.2 percent of earned income not to exceed \$500 for single returns and \$1000 for joint returns in 2009 and 2010;
- A one-time payment of \$300 to Social Security beneficiaries, SSI recipients, and Disabled Veterans;
- Temporary suspension of taxation of unemployment benefits in 2009;
- Expansion of the Earned Income Tax Credit to provide an increased credit for 3 or more children and additional marriage penalty relief for married couples;
- Increased eligibility of the Refundable Child Tax in 2009 and 2010;
- Creation of the American Opportunity Tax Credit for the first four years of college;
- Allowing computers to qualify as qualified education expenses in 529 Education Plans; and
- Modification of the Homeownership Tax Credit for home purchases that occur after 2008 and before July 1, 2009.

Tax Cuts and Incentives for Businesses

The *American Recovery and Reinvestment Act of 2009* would provide tax cuts and incentives for businesses to create and retain jobs, including:

- An increase of the Net Operating Loss Carry Back period from 2 years to 5 years (this provision would not apply to entities that received funding from the Troubled Asset Relief Program (TARP));
- Delayed recognition of certain cancellation of debt income;
- Continuation of increased Section 179 elective expensing limitation and phase-out;
- Extension of bonus depreciation for calendar year 2009;
- Extension of monetization of accumulated AMT and R&D credits in lieu of bonus depreciation;
- Expansion of the Work Opportunity Tax Credit to include homeless veterans and disadvantaged youth as qualified target groups;
- Additional allocations for the New Markets Tax Credit;
- Modernization of Industrial Development Bonds;
- Prohibition on U.S. Customs and Border Protection duty distribution recollection; and
- Increased exclusion for individuals on small business capital gains.

Tax Incentives for the Job-Rich Green Energy Sector

The *American Recovery and Reinvestment Act of 2009* would provide for job-creating tax cuts and incentives for energy innovation, including:

- Long-term extension and modification of renewable energy production tax credit (extending the placed-in-service date for wind facilities for three years and the placed-in-service date for certain other qualifying facilities through December 31, 2013);
- Temporary election to claim the investment tax credit in lieu of the production tax credit for facilities that produce electricity from wind, closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy, and marine renewable facilities;
- Extension of carryback of general business credits from one year to five years;
- Additional funding for Clean Renewable Energy Bonds (CREBs) to finance facilities that generate electricity from renewable resources;
- An increase in the value of the credit for 2009 and 2010 for Energy-Efficient Existing Homes;
- Additional funding for tax-credit bonds used by state and local governments to promote energy conservation;
- An increase in the business credit for alternative refueling stations;
- The removal of the cap on the credit for certain Residential Energy Efficient Property;
- The removal of the cap on the investment tax credit for small wind property;
- An enhanced Energy Research Credit for research expenditures incurred in the fields of fuel cells, energy storage, renewable energy, energy conservation technology, efficient transmission and distribution of electricity, and carbon capture and sequestration; and

- A new Advanced Energy Investment Credit for facilities engaged in the manufacture of advanced energy property (including technology for the production of renewable energy, energy storage, energy conservation, efficient transmission and distribution of electricity, and carbon capture and sequestration).

Financing Of Job-Creating Projects through State and Local Governments

The *American Recovery and Reinvestment Act of 2009* would:

- Improve the marketability of Tax Exempt Bonds to increase available financing by 1) eliminating the tax exempt interest on tax exempt private activity bonds as a preference item of the alternative minimum tax; 2) increasing the market for bonds by expanding the ability of banks and brokers to invest in them; 3) raising the amount of bonds a small issuer can issue from \$10 million to \$30 million; and 4) expanding the amount of bonds that can be issued by small issuers by applying this limit to each ultimate borrower.
- Create Build America Bonds, a new tax credit bond option for new capital projects that would allow the State or local government to elect to receive a direct payment from the Federal government equal to the subsidy that would have otherwise been delivered through the Federal tax credit for bonds issued in 2009 and 2010;
- Create Qualified School Construction Bonds to fund new construction of schools;
- Extend and expand Qualified Zone Academy Bonds (QZAB) program to 2010; and
- Delay implementation of three percent withholding on government contractors for one year.

Job-creating Tax Cuts and Incentives for Recovery Zones

The *American Recovery and Reinvestment Act of 2009* would create two new types of bonds to provide additional financial assistance for National Recovery Zones:

- Recovery zone infrastructure bonds would be a new type of tax credit bond which would be used to finance public infrastructure improvements within national recovery zones that would facilitate economic development within that zone; and
- Recovery zone facility bonds would be a new type of tax-exempt private activity bond for capital investments in a national recovery zone.

The bonds would be allocated to States based on total unemployment.

The *American Recovery and Reinvestment Act of 2009* would also create new tax-exempt Indian Bonds that would allow Tribal governments to issue \$2 billion of tax-exempt bonds under the same rules as State and local governments.

FMAP

The Federal government jointly funds the Medicaid health insurance program with the states. The share of the Federal government's contribution to Medicaid is determined by state-specific federal medical assistance percentages, otherwise known as FMAP. The increase in FMAP funding for states recognizes the severe budget deficits crippling state governments and the

states' decreased ability to provide services. Rising unemployment and diminished state tax resources are making it difficult for states to meet the growing demand for the Medicaid program. The temporary increase (ending in December 2010) would alleviate some of the strain on state budgets. Eighty percent of the funds would be distributed across the board and 20 percent would be reserved as bonus payments. This funding (\$87 billion) would help pay for Medicaid costs that would otherwise burden state budgets.

The *American Recovery and Reinvestment Act of 2009* would provide the funding necessary to support a temporary increase in the share of Medicaid (the Federal Medical Assistance Percentages or FMAP), that the Federal government pays to the states (known as the Federal Medical Assistance Percentage or FMAP), including funding to:

- **Provide a base 7.6 percent increase to all state FMAP rates** so that the Federal government temporarily pays a greater share of Medicaid costs;
- **Suspend FMAP reductions for states** whose economic circumstances no longer reflect the economic health of the state when the reduction was determined (“hold harmless”); and
- **Provide a targeted increase in Medicaid assistance for states with the most severe job loss** (2.5 percent, 4.5 percent or 6.5 percent reduction in the share of Medicaid fees the State pays based on the extent of unemployment burdening each state).

Healthcare

As unemployment continues to rise, many Americans are facing the prospect of losing their health insurance. The Kaiser Commission on Medicaid and the Uninsured reports that for every one percent increase in the nation's unemployment rate, an additional 1.1 million individuals become uninsured and another one million enroll in Medicaid or SCHIP. It is critically important that resources are provided to families facing the prospect of losing their health insurance due to recent unemployment and dwindling savings.

The *American Recovery and Reinvestment Act of 2009* provides appropriations to assist families affected by unemployment and struggling to provide health insurance for their families, including funding to:

- **Provide a 65 percent premium subsidy to those recently unemployed to assist families pay for the cost of COBRA.** COBRA requires employers with 20 or more employees to provide employees and their families the option to continue participation in the employer's health plan under several circumstances including termination of employment. Many families depend on COBRA to continue their health insurance but find that the cost of COBRA is too steep to continue coverage (\$25 billion over ten years) so the legislation would provide the targeted support that families who have lost their jobs as a result of the economic downturn will need to maintain health insurance coverage;
- **Extend Transitional Medical Assistance (TMA)** which allows some families to retain Medicaid coverage for one year after gaining employment but earning too little to pay for health insurance (extends through December 2010, costing 1.3 billion over ten years);

- **Provide a one-year extension of the Qualified Individual (QI) program** which provides low-income elderly and disabled individuals with assistance to pay their Medicare Part B premiums, allowing these groups to maintain health insurance (\$562 million); and
- **Increase assistance to American Indians and Alaska Natives** including eliminating co-payments for Medicaid, exempting some Indian property from inclusion in resource determinations for Medicaid and CHIP, and making it easier for these populations to receive Medicaid benefits through Medicaid managed care organizations (\$25 million).

Health Information Technology

The *American Recovery and Reinvestment Act of 2009* provides appropriations (in tandem with the appropriations measures, described above) to promote health information technology which would encourage efficiency and cost savings and create jobs. It would include funding to:

- **Support the Health and Human Services Secretary implement procedures for the development, support and adoption of health IT standards**, allowing certified programs to be interoperable;
- **Allow states and communities to invest in the infrastructure needed** for electronic exchange of health information, with effective privacy protections;
- **Provide low-interest loans to health care providers** to implement health IT systems;
- **Support training for health care professionals** in the use of health IT;
- **Promote the adoption and use of health IT by providers who serve Medicare and Medicaid patients through increased investment**;
- **Provide incentives to health providers participating in the Medicare program to use certified health IT** and penalize those not doing so by withholding full Medicare payments. Hardship exceptions would be available; and
- **Grant subsidies for high-volume Medicaid providers who adopt a certified health IT system** (beginning in 2011), and allow those using health IT to receive temporary payments to offset the costs of supporting, maintaining, or upgrading certified health IT systems.

As a result of this bill, the Congressional Budget Office estimates that approximately 90 percent of doctors and 70 percent of hospitals will be using comprehensive electronic health records within the next decade.

Unemployment Insurance

Modernization of Unemployment Compensation. According the Bureau of Labor Statistics, since the start of the recession in December 2007, the number of unemployed persons has grown by 3.6 million, and the unemployment rate has risen by 2.3 percentage points.

Worse, due to stalled job creation, the number of long-term unemployed (those jobless for 27 weeks or more) has risen by 1.3 million. Thus, more and more Americans are in need of unemployment insurance (UI), for longer periods of time in order to make ends meet for their families, which is only placing greater strains on state budgets.

Last year, Congress extended emergency UI benefits to temporarily meet the growing need, but additional investments and reforms of the program are required. Economists report that for every dollar invested in UI yields \$1.64 in growth -- more than any other stimulus program. Given the urgency of our current economic crisis, modernizing the UI program is a key component of economic recovery.

The *American Recovery and Reinvestment Act of 2009* would:

- Extend Emergency Unemployment Compensation through December 2009, which would make qualifying individuals eligible for an additional 20 weeks of UI benefits and, in areas of high-unemployment (defined as over 6%), an additional 33 weeks (\$27 billion);
- Increase UI benefits by \$25 per week (\$9.3 billion);
- Provide 500 million to be shared by states to update administrative systems currently overwhelmed by the demand for services;
- Invest \$2.6 billion for: 1) states that adopt the Alternative Base Period, which allows workers to count more recent wages; and 2) states that adopt two of the following reforms: a) allowing partial UI for individuals seeking part-time work (as opposed limiting UI to those seeking only full-time work); b) extending UI to workers who have left their jobs due to illness or disability of an immediate family member, the relocation of a spouse for employment, or domestic violence; c) providing training benefits to unemployed workers laid off from a “declining” occupation; and d) paying unemployed workers at least and \$15 per week for each of the worker’s dependents; and
- Invest \$1.1 billion to temporarily waive interest payments and accrual on loans to state unemployment trust funds through 2010.

Extension of Trade Adjustment Assistance. The *American Recovery and Reinvestment Act of 2009* would extend the Trade Adjustment Assistance (TAA) programs for two years. The TAA for Workers program provides extended income support and training benefits for workers who lose their jobs because of increased imports or factory shifts to certain countries. The TAA for Firms program helps prevent layoffs entirely by assisting trade-distressed companies retool and become more competitive. Senate and House committee leadership from both parties continue to work together on a bipartisan expansion of Trade Adjustment Assistance.

Assistance for Vulnerable Individuals

Temporary Assistance for Needy Families

The *American Recovery and Reinvestment Act of 2009* would provide more resources for the Temporary Assistance for Needy Families (TANF) program, a block grant funding stream for the states to provide a variety of benefits and services to low-income families with children. The legislation would:

- **Create a new TANF Emergency Contingency Fund** in addition to the existing contingency fund. The Emergency Fund will make additional recession-related grants available to states through Fiscal Year 2010 (\$3 billion);
- **Hold the states harmless for caseload increases** during the recession, by giving states an optional measuring period for the caseload reduction credit that would compare pre-recession years to a pre-recession year (FY 2005 to FY 2007 or FY 2008).

This would allow states to permit caseloads to expand during the recession without being penalized. The optional measuring period would apply to the Fiscal Year 2009, 2010 and 2011 standards;

- **Provide an extension of TANF supplemental grants** beyond the end of Fiscal Year 2009 to states with high population growth and/or historically-low benefits. Seventeen states could receive these grants in Fiscal Year 2010 at the same level provided in Fiscal Year 2009 (\$319 million total); and
- **Give the states more flexibility with their TANF grants.** Instead of being limited to spending TANF grants carried-over from a previous year on cash assistance, states would be allowed to use these funds for any TANF benefit or service they determine appropriate during the recession.

Child Support Enforcement

In addition, the *American Recovery and Reinvestment Act of 2009* would **temporarily suspend a cut to federal Child Support Enforcement** funding (\$1.1 billion). As a result, child support incentive payments received by states and reinvested in the program could be used to draw down federal funds for the period October 1, 2008 through December 31, 2010. The funding will allow families to continue to receive child support payments and help prevent public sector lay-offs and service cutbacks in the child support program.

Legislative History

On January 6, 2009, Leader **Reid**, along with 17 co-sponsors, introduced the *American Recovery and Reinvestment Act of 2009* (**S. 1**). On January 27, 2009, the Senate Committee on Appropriations approved **S. 336**, the portion of the economic recovery package within its jurisdiction by a 21-9 vote. Separately, on January 27, 2009, the Senate Committee on Finance approved a Chairman's Mark of *American Recovery and Reinvestment Act of 2009* by a 14 to 9 vote. This legislation contained economic recovery provisions under the Finance Committee's jurisdiction comprised of tax cuts and mandatory spending measures.

On January 28, 2009, the House of Representatives approved its version of the American Recovery and Reinvestment Act (**H.R. 1**) by a vote of 24 to 188 (Roll No. 46). On January 29, 2009, **H.R. 1** was received in the Senate.

The Senate is expected to begin consideration of the *American Recovery and Reinvestment Act of 2009* on February 2, 2009.

Expected Amendments

Information on amendments will be distributed to DPC listserv recipients.

Administration Position

At the time of this writing, the Administration has not issued a Statement of Administration Position. President Obama, the Congress, and their respective staff, however, have engaged in extensive consultations in the development of this legislation.

CBO Estimate

Congressional Budget Office, Cost Estimate (February 2, 2009), available [here](#).

Resources

- Democratic Policy Committee, Creating Jobs, Investing in Our Country's Future, and Cutting Taxes (State-by-State Fact Sheets), available [here](#).
- Democratic Communications Center, We Must Act Now to Save the Economy, available [here](#).
- Democratic Communications Center, Senate Democrats: Get America Back to Work (Q&A), available [here](#).
- Joint Committee on Taxation, Estimated Budget Effects of the Chairman's Mark, As Modified, of The "American Recovery and Reinvestment Tax Act Of 2009," Scheduled For Markup by the Committee On Finance on January 27, 2009, available [here](#).
- Joint Committee on Taxation, Description of The Chairman's Modification to the Revenue Provisions of the "American Recovery and Reinvestment Tax Act Of 2009", available [here](#).
- CRS, Economic Stimulus: Issues and Policies, available [here](#).
- CRS, Government Spending or Tax Reduction: Which Might Add More Stimulus to the Economy?, available [here](#).
- CRS, Financial Market Turmoil and U.S. Macroeconomic Performance, available [here](#).
- CRS, Tax Cuts and Economic Stimulus: How Effective Are the Alternatives?, available [here](#).
- CRS, The Child Tax Credit, available [here](#).
- CRS, Using Business Tax Cuts to Stimulate the Economy, available [here](#).
- CRS, Net Operating Losses: Proposed Extension of Carryback Period, available [here](#).
- CRS, Job Loss and Infrastructure Job Creation during the Recession, available [here](#).
- CRS, Countercyclical Job Creation Programs, available [here](#).
- CRS, Congressional Research Service, The Role of Public Works Infrastructure in Economic Stimulus, available [here](#).
- CRS, The Health Information Technology for Economic and Clinical Health (HITECH) Act, available [here](#).
- CRS, States and Proposed Economic Recovery Plans, available [here](#).
- CRS, Unemployment Insurance: Available Unemployment Benefits and Legislative Activity, available [here](#).
- CRS, Unemployment and Health Insurance: Current Legislation and Issues, available [here](#).
- CRS, Medicaid: The Federal Medical Assistance Percentage (FMAP), available [here](#).
- CRS, The Potential Role of the Temporary Assistance for Needy Families (TANF) Block Grant in the Recession, available [here](#).
- Kaiser Commission on Medicaid and the Uninsured, Rising Unemployment Medicaid and the Uninsured: A Multi-Year Snapshot of State Financing Effects, January 2009, available [here](#).