



## U.S. Senate Committee on Appropriations

*PRESS RELEASE*

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### **Senate Appropriations Committee Releases Highlights of American Recovery and Reinvestment Plan** *Committee Announces \$365 Billion Investment Package*

**Washington, DC** – As Americans contend with the painful effects of the most serious economic crisis since the Great Depression, 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 21<sup>st</sup> century. Combined with the economic recovery tax cuts and mandatory programs announced by the Senate Finance Committee, the Senate legislation totals \$825 billion. It is estimated that this legislation will create or sustain over 4 million jobs.

In the coming weeks, the Senate will work closely with the House of Representatives and the Obama Administration in a bi-partisan effort to enact strong and responsible legislation that will put our nation back on the road to economic recovery.

**“We must respond to this crisis with all weapons at our disposal,”** said Senator Daniel K. Inouye (D-Hawaii), Chairman of the Senate Appropriations Committee. **“If we fail to act, the situation will almost certainly worsen, and the American people will continue to pay a heavy price. These investments will not only create jobs now, but will also address neglected priorities here at home and lay the foundation for economic growth in the long-term. The road to recovery will not be quick or easy, but I am confident that working together, our nation will meet this historic challenge.”**

#### **The Economy in Crisis**

**Unemployment:** In December, the number of unemployed persons increased by 632,000 to 11.1 million and the unemployment rate rose to 7.2 percent. Job losses were large and widespread across most major industry sectors. Leading economists have predicted that in the absence of dramatic government action, the unemployment rate could reach 10 percent by 2010.

**Housing:** U.S. foreclosures increased by more than 81 percent last year, a record, with over 2.3 million foreclosures total.

**State Budgets:** 44 States are facing budget shortfalls totaling \$90 billion for Fiscal Year 2009 and \$145 billion for Fiscal Year 2010, and are faced with the prospect of dramatic cuts in basic services or painful tax increases.

**Stock Market:** In 2008, U.S. stocks lost roughly \$7 trillion in value.

**Bank Failures:** During 2008, 25 banks with \$373.6 billion in total assets failed in the U.S.

**Gross Domestic Product:** The U.S. has officially been in a recession since December of 2007. Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 0.5 percent in the third quarter of 2008.

**Cost of Living and Poverty:** Overall participation in the Food Stamps program increased by 3.9 million people, or 14 percent, between October 2007 and October 2008, the latest month for which data is available. Food costs have increased 7.0 percent since November 2007, and are forecast to increase an additional 4.5 percent in 2009, according to the United States Department of Agriculture's (USDA) latest estimates.

### **Urgent Infrastructure Needs**

- The American Society of Civil Engineers (ASCE) estimates that \$1.6 trillion is needed over a five-year period to bring the nation's infrastructure to a good condition.
- 27.1 percent of our nation's bridges are structurally deficient, or functionally obsolete.
- 34 percent of America's major roads are in poor or mediocre condition, and 36 percent of America's major urban roads are congested. Americans spend 4.2 billion hours a year stuck in traffic, at a cost of \$78.2 billion a year to the economy. Poor road conditions cost U.S. motorists \$67 billion a year in repairs and operating costs.

## **The American Recovery and Reinvestment Plan**

To meet these enormous challenges, the American Recovery and Reinvestment Plan focuses on five areas critical to rebuilding our economy and creating the conditions for economic growth in the long-term: Infrastructure and Science; Education and Training; Energy; Protecting the Vulnerable; and Health. It is estimated that this legislation will create or sustain over 4 million jobs.

The American Recovery and Reinvestment Plan provides unprecedented oversight, accountability, and transparency to ensure that taxpayer dollars are invested effectively, efficiently, and as quickly as possible.

- Funds are distributed whenever possible through existing formulas and programs that have proven track records and accountability measures already in place.
- Numerous provisions in the bill provide for expedited but effective obligation of funds so that dollars are invested in the economy as quickly as possible.
- The Government Accountability Office and the Inspectors General are provided additional funding for auditing and investigating recovery spending.
- A new Recovery Act Accountability and Transparency Board will coordinate and conduct oversight of recovery spending and provide early warning of problems.
- A special website will provide transparency by posting information about recovery spending, including grants, contracts, and all oversight activities.

- State and local whistleblowers who report fraud and abuse are protected.
- There are no earmarks in this bill.

**Please note: The following is a summary of the highlights of the proposed legislation only - not a complete listing of all the programs or spending included in the legislation.**

## **Infrastructure and Science**

In order to rebuild our weakening economy, these investments in our physical and cyber infrastructure will put Americans immediately to work rebuilding our crumbling roads and bridges, and will also enable the creation of a stronger and more efficient infrastructure for the 21<sup>st</sup> century economy. Highlights include:

### **Top line spending of approximately \$140 Billion**

#### **Infrastructure Improvements:**

- School Modernization: \$16 billion to repair, renovate and construct public schools in ways that will raise energy efficiency and provide greater access to information technology, and \$3.5 billion to improve higher education facilities.
- Broadband: A total of \$9 billion for the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program to improve access to broadband.
- Public Parks: \$3.4 billion for repair, restoration and improvement of public facilities at parks, forests, refuges and on other public and tribal lands.
- Department of Defense Facilities: The stimulus includes \$2.4 billion for quality of life and family-friendly military construction projects such as family housing and child care centers.
- \$3.2 billion for Facilities Sustainment, Restoration and Modernization to be used to invest in energy efficiency projects and to improve the repair and modernization of Department of Defense facilities to include Defense Health facilities.
- \$3.4 billion for VA hospital and medical facility construction and improvements, long-term care facilities for veterans, and improvements at VA national cemeteries.
- \$1.2 billion to accelerate procurement and installation of baggage screening and checkpoint security equipment at airports across the country.
- \$500 million to secure high risk critical infrastructure such as dams, tunnels, and bridges.
- \$4.6 billion to construct, repair or rehabilitate water resource infrastructure nationwide to benefit navigation, hydropower, flood control, environmental restoration, shore protection and other purposes.
- \$1.4 billion to construct, repair, or rehabilitate water delivery infrastructure in the Western U.S. to benefit irrigation, municipal and industrial water supplies, power production, and environmental and other purposes.
- \$2.25 billion for the HOME Investment Partnerships Program block grant to enable state and local governments, in partnership with community-based organizations, to acquire, construct, and rehabilitate affordable housing and provide rental assistance to poor families.

**Transportation:**

- \$27 billion for formula highway investments.
- \$8.4 billion for formula investments in public transportation.
- \$5.5 billion for competitive grants to state and local governments for surface transportation investments.
- \$1.3 billion for investments in our air transportation system.
- \$1.1 billion for investments in rail transportation.
- \$160 million for investments in maritime transportation.
- Public Lands Roads: \$830 million for repair and restoration of road on park, forest, tribal, and other public lands.

**Public Housing:**

- \$5 billion to the public housing capital fund to enable local public housing agencies to address a \$32 billion backlog in capital needs - especially those improving energy efficiency in aging developments.
- \$2.1 billion for full-year payments to owners receiving Section 8 project-based rental assistance.
- Neighborhood Stabilization Program - The bill includes \$2.25 billion for the redevelopment of abandoned and foreclosed homes.
- Homeless Prevention Fund - The bill includes \$1.5 billion for homeless prevention activities, which will be sent out to states, cities and local governments through the emergency shelter grant formula.

**Environmental Clean-Up/Clean Water:**

- A total of \$6.4 billion is directed towards environmental cleanup of former weapon production and energy research sites.
- \$6 billion for sewer, wastewater, and drinking water systems nationwide through EPA's Clean Water and Drinking Water State Revolving Funds.
- \$1.4 billion to support \$3.8 billion in loans and grants for needed water and waste disposal facilities in rural areas.
- \$1.4 billion for EPA's nationwide environmental cleanup programs, including Superfund.

**Science:**

- National Science Foundation (NSF) Research: \$1.4 billion in funding for scientific research, infrastructure and competitive grants.
- National Aeronautics and Space Administration (NASA): \$1.5 Billion for NASA, including \$500 million for Earth science missions to provide critical data about the Earth's resources and climate.

## **Education and Training**

In order to compete in the 21<sup>st</sup> century, Americans must have a well-educated workforce, capable of adapting to an ever-changing economic environment. Investing in education now will ensure that the next generation of American workers is ready and able to meet the challenge of global competition. In the near-term, millions of workers have seen their jobs disappear, and find themselves unable to match their skill sets with existing opportunities. Providing job training in new and expanding fields will help to lower the unemployment rate and help today's workers better compete against foreign competition. Highlights include:

### **Top line spending of approximately \$125 Billion**

#### **Education:**

- \$39 billion to local school districts and public colleges and universities distributed through existing State and federal formulas.
- \$15 billion to states as incentive grants as a reward for meeting key performance measures.
- \$25 billion to states for other high-priority needs such as public safety and other critical services, which may include education.
- Title I: \$13 billion to help close the achievement gap and enable disadvantaged students to reach their potential.
- Special Education/IDEA: \$13 billion to increase the Federal share of special education services to its highest level ever.
- Pell Grants: \$13.9 billion to increase the Pell Grant maximum award and pay for increases in program costs resulting from increased eligibility and higher Pell Grant awards.

#### **Training:**

- Training and Employment Services: \$3.4 billion for job training including formula grants for adult, dislocated worker, and youth programs.
- Vocational Rehabilitation State Grants: \$500 million for state formula grants to help individuals with disabilities prepare for and sustain gainful employment.
- Employment Services Grants: \$400 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized reemployment services.

## **Energy**

The bill provides investments in areas critical to the development of clean, efficient, American energy, including modernizing energy transmission, research and development of renewable energy technologies, and modernizing and upgrading government buildings and vehicles. Highlights include:

### **Top line spending of approximately \$51 Billion**

- \$40 billion to the Department of Energy for development of clean, efficient, American energy.
- GSA Federal Fleet: \$2.6 billion to replace older motor fleet vehicles owned by the Federal Government with alternative fuel automobiles that will save on fuel costs and reduce carbon emissions.
- Green Buildings: \$6 billion for repair of federal buildings to increase energy efficiency using green technology. This funding will help eliminate the backlog of \$8.4 billion in building repair projects.
- \$1.3 billion for grants or loans to owners for energy and green retrofit investments.
- \$613 million for Department of Defense energy efficiency upgrades and construction of alternative energy projects, including wind and solar power and photovoltaic system installation.
- \$400 million for rural businesses initiatives including development of renewable energy.

### **Protecting the Vulnerable:**

The current economic crisis has affected all Americans, but none more so than the most vulnerable among us. The spending proposed here will serve to lessen the blow of the current recession, providing immediate relief for children, the poor, and others who may find themselves struggling to put food on the table or a roof over their head. It will also address the urgent need to provide safe and secure places to live, even in neighborhoods that are struggling with high unemployment and surging foreclosure rates.

### **Top line spending of approximately \$25 Billion**

#### **Nutrition:**

- \$16.5 billion for additional Supplemental Nutrition Assistance Program (SNAP) benefits (formerly the Food Stamp program).
- Special Supplemental Program for Women, Infants, and Children (WIC). The Committee recommends a total of \$500 million for WIC. In addition, the bill provides \$150 million for Food Banks.

#### **Helping Children:**

- \$4.6 billion to increase investments in early childhood programs.

#### **Other Programs:**

- Community Development Financial Institutions: \$250 million to immediately provide capital to qualified community development financial institutions (CDFIs) to invest in the development of underserved communities.
- Social Services Block Grant: \$400 million for States and local non-profits to deliver critical services to unemployed and low-income individuals struggling with the effects of the recession.
- Homeowners Assistance Program: \$410 million to expand the Department of Defense Homeowners Assistance Program (HAP) during the national mortgage crisis.

## **Health**

The bill provides investments in areas critical to immediate and long-term healthcare for millions of Americans. Improved information technology, research facilities, and health and wellness programs, will all provide a better foundation for providing quality healthcare to consumers. Highlights include:

### **Top Line spending of approximately \$16 Billion**

#### **Health Information Technology:**

- Health Information Technology: \$5 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.

#### **Research:**

- \$3.5 billion to conduct biomedical research in areas such as cancer, Alzheimer's, heart disease and stem cells, and to improve NIH facilities.
- \$1.1 billion to the Agency for Healthcare Research and Quality, NIH and the HHS Office of the Secretary to evaluate the relative effectiveness of different health care services and treatment options.

#### **Treatment and Prevention:**

- Prevention and Wellness: \$5.8 billion to fight preventable diseases and conditions.
- Pandemic Flu Preparedness: \$870 million to complete funding for the President's initiative on pandemic flu preparedness.

## **Small Business, Law Enforcement, Other**

### **Top Line spending of approximately \$8 Billion**

- \$110 Million for GAO and Agency Inspectors General in order to provide appropriate oversight of spending contained in this bill.
- Loans for Small Businesses: \$730 million to stimulate lending to small businesses.
- State and Local Law Enforcement: \$3.95 billion total to support law enforcement efforts.