

HJR

11

<target><bill>HJR 11</bill><subject>HJR
11</subject><comm>HFIN26</comm></target>

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: January 30, 2009

FURTHER REFERRALS:

Date of Committee Action: 2/3/09

The FINANCE Committee considered:

HOUSE JOINT RESOLUTION NO. 11

Relating to the federal stimulus package.

HJR 11 PROJECTS FOR ECONOMIC STIMULUS PACKAGE

Recommends it be replaced with HCS or CS for HJR 11 (FIX)
 For Senate Bills with new title: Technical Title New Title: HCR _____ Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 DHS
 LWF
 LAW
 LEG
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
<u>LEG</u>				✓

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Thomas Gara	✓			
	CRAWFORD	✓			
	Julie FAIRCLOUGH	X			
	KELLY SALMON	X	X		
Chair:	Hand	*			
Chair:	Stelfox			*	

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HJR11
() Publish Date: _____

Identifier (file name): _____ Dept. Affected: Legislature
Title Relating to the federal stimulus package. RDU Legislative Council
Component Council and Subcommittees
Sponsor House Finance Committee
Requester House Finance Committee Component Number 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual							
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES ()

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Division: Legislative Affairs Agency
Approved by: Pamela Varni, Executive Director
Legislative Affairs Agency

Phone 465-6626
Date/Time 2/2/09 8:36 AM
Date 2/2/2009

Alaska State Legislature
HOUSE FINANCE COMMITTEE

Agenda
8:30 AM

Tuesday, February 3, 2009

HJR 11-PROJECTS FOR ECONOMIC STIMULUS PACKAGE

Via Teleconference (if able)

- ✓ John Katz, Dir, State/Federal Relations and Special Counsel, D.C.
- or
- ✓ Randall Ruaro, Special Assistant, Office of the Governor

See Teleconference lists:

*Foster absent
add Beth Kerttula*

**2009 HOUSE
FINANCE
COMMITTEE**

DATE: 2/3/09

Amendment: ~~Rep. [unclear]~~
HJR 11 [unclear]

MEMBER	Favor	Oppose
REP. AUSTERMAN	✓	
REP. CRAWFORD	✓	
REP. FAIRCLOUGH	✓	
REP. FOSTER		—
REP. GARA	✓	
REP. JOULE	✓	
REP. KELLY		✓
REP. SALMON	✓	
REP. THOMAS	✓	
REP. HAWKER	✓	
REP. STOLTZE	✓	

9- /

adopted 2/3/09
AMENDMENT

OFFERED IN THE HOUSE
TO: HJR 11

BY REPRESENTATIVE HAWKER



- 1 Page 2, line 1 through line 3
- 2 DELETE all language
- 3 INSERT "WHEREAS to accomplish this purpose, the federal government is relying on
- 4 existing formulas and grant programs to allocate funds to the states, President Obama and the
- 5 Congressional leadership of both parties having indicated that no specific projects will be
- 6 included in the economic stimulus package;"

Amended page 2

26-LS0463VR

HOUSE JOINT RESOLUTION NO. 11

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced: 1/30/09

Referred:

A RESOLUTION

1 **Relating to the federal stimulus package.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** the economy of the United States is experiencing a recession that is
4 causing significant loss of employment and income for many American families; and

5 **WHEREAS** significant financial hardship is also occurring in Alaska and is
6 exacerbated by the current price of oil and the continuing high cost of other types of energy;
7 and

8 **WHEREAS** the loss of income in the state has made it difficult for many families in
9 the state to afford the necessities of life, including fuel, food, and health care; and

10 **WHEREAS** the federal government is considering a stimulus package to alleviate the
11 dire consequences of the nation's economic downturn; and

12 **WHEREAS** the proposed federal stimulus package emphasizes the need for each state
13 to boost its local economies through the initiation of a wide range of projects, including
14 projects involving transportation facilities, school construction, health care services, and
15 energy resources, and these projects will temporarily provide employment to workers to help
16 them and their families weather the current economic hardships; and

*with draw:
concept ahead i
add:
job training*

1 **WHEREAS** the Alaska State Legislature recognizes the need for the state to submit to
2 the federal government a project package that provides a variety of assistance to families in all
3 parts of the state;

4 **BE IT RESOLVED** that the Alaska State Legislature desires a comprehensive federal
5 stimulus package that allocates to Alaska the state's fair share of funding so that the citizens of
6 all regions of the state will benefit; and be it

7 **FURTHER RESOLVED** by the Alaska State Legislature that Alaska's participation
8 in the federal stimulus package should recognize the breadth of the state's economy by
9 stimulating a variety of the segments of the state's economy, including transportation, ~~energy,~~
10 education, health care, nutrition, the environment, information technology, and other areas.

11 **COPIES** of this resolution shall be sent to the Honorable Lisa Murkowski and the
12 Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative,
13 members of the Alaska delegation in Congress.

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STATE OF ALASKA

Federal Economic Stimulus Package - Questions & Answers

1. What has Alaska requested in the federal economic stimulus package?

Alaska requested that the federal economic stimulus package use existing formula programs to allocate funding fairly to states. The attached letter dated January 7, 2009, from Governor Palin to Alaska's Congressional Delegation further describes Alaska's request.

Initially, four projects were submitted informally to staff in the Alaska congressional delegation offices in November 2008. The initial submission was made very early in the process when it was unclear what would be included in the legislation. The projects submitted were based on preliminary criteria that projects needed to be "bid-ready" and focused on projects with national significance, including development of the gas line and national security.

The specific projects submitted total \$139.3 million as follows:

Dalton Highway Improvements	\$75.0 million
Parks Highway Improvements	\$34.0 million
Alaska Highway MP 1412-1422	\$ 5.3 million
Central Regional Surface Repairs	\$25.0 million

In her January 7, 2009, letter to the Congressional Delegation, the Governor also suggested consideration of infrastructure improvements to the Kodiak Launch Facility based on national security interests. A brief description of the projects is included at the end of this document.

2. What guidelines has Alaska received and from whom?

Alaska had not received any guidelines other than the statements by President-elect Obama and leadership in Congress from both Houses that there would not be any earmarks in the stimulus bill and that formulas would be used instead. Federal legislation was introduced on January 15, 2009. The administration is reviewing the legislation, will monitor developments and respond accordingly.

3. When is action on the federal economic stimulus package expected?

The latest news reports indicate that leadership in Congress would like to have the economic stimulus bill passed by mid-February, 2009.

4. What process did Alaska use, and who was involved, in determining the requests?

The process Alaska has used and will continue to use is to monitor developments as they occur and provide information accordingly. The Governor, her staff, and agency personnel are involved in reviewing the package and preparing additional comments or requests to the delegation as the federal legislation progresses and what is signed into law by the President.

5. What can communities do to submit projects for the economic stimulus package?

Development of the economic stimulus package continues to evolve at the federal level. Communities and organizations seeking funding for projects should submit their requests directly to Alaska's Congressional Delegation for consideration in the federal appropriation process. However, all indications from the President elect and Congressional leaders suggest there will not be any earmarks in the stimulus legislation.

Attachments

January 7, 2009 Letter to the Alaska Congressional Delegation

January 12, 2009 Press Release

STATE OF ALASKA
Federal Economic Stimulus Package - Questions & Answers

Brief Project Descriptions

Dalton Highway Improvements - \$75.0 million

Improvements to the Dalton Highway are critical to construction of the natural gas pipeline and resource development on Alaska's North Slope. This project consists of rehabilitation, including widening, resurfacing, culvert replacement and other road enhancements. Grade raises, delineator installation, brush cutting, drainage repairs, repair of damaged bridges, and additional surfacing are also planned. These improvements will better accommodate oversize and overweight loads associated with gas line construction.

Parks Highway Improvements \$34.0 Million

The existing roadway is two lanes with 4-foot shoulders, deteriorated pavement, has no passing lanes, and has underlying structural embankment deficiencies that require seasonal weight restrictions. This project will rehabilitate pavement, widen the shoulders to 8 feet (consistent with Alaska's standard for the National Highway System), reconstruct the problematic structural sections, and construct 7 miles of passing lanes. These improvements will better accommodate oversize, overweight loads and slow moving traffic associated with gas line construction.

Alaska Highway Milepost 1412 to 1422 - \$5.3 million

This project will rehabilitate, improve drainage, re-level and resurface the Alaska Highway between MP 1412 and 1422 (Delta South). Substandard embankment conditions have been identified in this area causing significant pavement failures. This project will improve the Alaska Highway to accommodate increased truck traffic associated with gas line construction.

Central Region Surface Repairs - \$25.0 Million

This project will provide funding for rut and pavement repairs on National Highway System (NHS) routes in Central Region. 67.25% of all the State's vehicle travel occurs in Central Region. Central Region has over 700 lane miles of badly rutted roads that would cost \$350 million in today's dollars to repair. Repairs to these routes will facilitate the movement of people, goods and services associated with gas line construction.

Kodiak Launch Facility - \$35.0 Million

Launch Pad 3 and Rocket Motor Storage Facility Construction

The Alaska Aerospace Development Corporation (AADC) Kodiak Launch Complex (KLC) is ideally situated to support rapid response launch programs that address increasing demands on the use of space-based capabilities to achieve national objectives. AADC was recently awarded two U.S. Air Force contracts for satellite launches that are demonstrators of the rapid response concept. To gain a sustained rapid response launch capability KLC requires an additional launch pad and rocket motor storage facility. With receipt of funding, construction will begin in the spring of 2009 and be completed and fully operational within 18-24 months.

Summary of Medicaid / health insurance in House economic stimulus bill

The health care provisions in the House economic stimulus package would provide \$87 billion in matching payments to state Medicaid programs, subsidize health insurance (COBRA) for the unemployed (\$30.3 billion), fund Medicaid for the unemployed (\$8.6 billion), and invest in health information technology (\$20 billion).

Alaska would receive an estimated \$246 million in additional Medicaid funds over FY2009-2011.

Medicaid

The package would increase the federal medical assistance percentage (FMAP) for all states by 4.9 percentage points, on top of a hold-harmless provision for states scheduled for a decrease in their FMAP. States with high unemployment rates would receive an additional increase directly related to their unemployment rate. The FMAP increase would last until Dec. 31, 2010.

The package also would give states the option to cover family planning services and supplies for low-income women who are ineligible for Medicaid. Under current law, states must apply for waivers in order to provide such benefits.

COBRA

The provision would provide a 65% federal subsidy for COBRA health insurance premiums for up to 12 months following a job loss. It also would allow employees who have held their job for 10 or more years to retain COBRA coverage at their own expense after the subsidy ends and until they qualify for Medicare.

In addition, the package would allow states to provide Medicaid coverage to certain groups of the unemployed who are uninsured, such as those receiving unemployment benefits, those receiving food stamps who are otherwise ineligible for Medicaid, or those in families with gross incomes less than 200% of the federal poverty level. The federal government would assume 100% of the benefit and administrative costs of the option.

Health information technology

The package would include \$20 billion for HIT infrastructure, training and state grants, among other initiatives. Physicians would be eligible for \$40,000 to \$65,000 for demonstrating HIT use, and hospitals could qualify for funding of several million dollars through the Medicare and Medicaid programs.

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 7, 2009

The Honorable Lisa Murkowski
United States Senate
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Mark Begich
United States Senate
825 Hart Senate Office Building
Washington, DC 20510

The Honorable Don Young
United States Congressman
2111 Rayburn Office Building
Washington, DC 20515

Re: Economic Stimulus Legislation

Dear Members of the Alaska Congressional Delegation:

I am writing to communicate some additional thoughts concerning the economic stimulus package now under discussion in Congress.

This letter compliments our previous list of four infrastructure projects that would support construction of the Alaska natural gas pipeline. These bid-ready projects strongly reflect the goal of creating new jobs, both in construction and the operation of the pipeline, while also promoting sound national energy policy.

I strongly recommend that federal funds to states be allocated pursuant to formulas that are fair and equitable. As you know, formulas already exist in federal law for such programs as highways and bridges, aviation, and Medicaid. In those instances where there are no formulas—for example in the case of renewable energy projects and ports and harbors—formulas and grant programs could be devised and included in the economic stimulus package.

The use of formulas would help ensure fairness among the states and would avoid the unhealthy practices and results that often occur in the Congressional earmarking process. In this regard, it is my understanding that President-elect Obama and much of the Congressional Leadership, both Republicans and Democrats, support a formula approach.

The Honorable Lisa Murkowski
The Honorable Mark Begich
The Honorable Don Young
January 7, 2009
Page 2

For transportation projects, federal funds should be allocated to the Federal Highway Administration's Surface Transportation and National Highway System programs. Likewise, funding for aviation should be put into the discretionary category of the Federal Aviation Administration's Airport Improvement Program. In our opinion, the minimum guarantee provisions that protect rural and less populous states like Alaska should continue to be used in these formulas.

We also believe that there are timing and other considerations that should be addressed through these formula programs. For instance, new transportation projects may require an amendment of each state's statewide transportation improvement program (STIP). STIP amendments can take as long as 90 days under current requirements. In addition, the stimulus package should recognize that, in the case of Alaska and the northern tier states, transportation construction does not start until well into the spring.

We further recommend that any increase in Medicaid-related programs should, at a minimum, be equitable to all states, meaning each state's benefit under a formula should be proportionately the same as to other states.

In addition to the four gas pipeline-related projects described earlier, I want to mention one other project of national significance for your consideration. The Kodiak Launch Facility conducts activities that contribute greatly to our national defense and knowledge of missile ballistics.

It is my understanding that you have received funding requests from local governments, non-profits, and other entities throughout Alaska. In large part, these requests reflect local concerns. It is not appropriate for the state to comment on each project that has come to our attention. Instead, we would prefer to focus on the rationale for our own recommendations to you.

Although it is beyond my purview as Governor, I also urge you to consider how the economic stimulus package will affect the national debt and the future economic health of the country. The need for economic stimulus should not become an excuse for the continuation of the unsound policies of the past. The nation's economy will never achieve long-term stability if we continue borrowing hundreds of billions of dollars from foreign countries, all the while simultaneously sending huge amounts of money

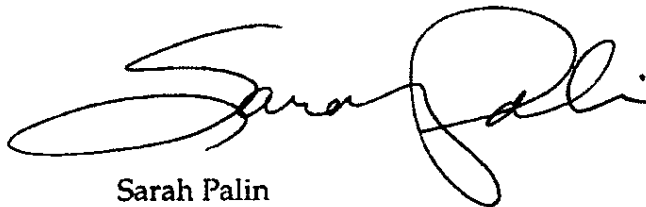
The Honorable Lisa Murkowski
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Page 3

overseas to OPEC countries for oil that could be produced domestically. In this regard, I am astounded by amounts of a trillion dollars and more that are currently being discussed in some quarters.

I believe our nation is truly at an economic crossroads. Properly constructed, the economic stimulus package will greatly assist in sending our country down the right road. Without question, you will be called upon to make very difficult decisions on behalf of Alaska and the nation, and I want to assure you of the cooperation of my administration in achieving the best possible result. Toward this end, I have asked my Washington, D.C. office to follow up with your respective staffs on our recommendations.

Thank you for considering my views.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large loop at the end.

Sarah Palin
Governor

cc: John W. Katz, Special Counsel to the Governor

January 22, 2009

PRELIMINARY ANALYSIS OF MEDICAID ASSISTANCE FOR STATES IN THE HOUSE ECONOMIC RECOVERY PACKAGE

By Iris J. Lav, Edwin Park, Jason Levitis, and Matthew Broaddus

The economic recovery package under consideration by the House of Representatives includes an approximately \$88 billion temporary increase in the share of the Medicaid program paid by the federal government over nine calendar quarters (October 1, 2008 through December 31, 2010). The states urgently need this type of assistance; states on their own are not able to provide critically needed health insurance under Medicaid as need swells in a recession and in its immediate aftermath.

- Medicaid rolls are soaring, as they have in previous recessions. As people lose their jobs and their incomes, they often also lose their health insurance and qualify for Medicaid. As employers try to cut costs, they drop health coverage. And people who are still working but with reduced hours or income and who lack health insurance may newly qualify for Medicaid. All of these factors drive up enrollment.
- State revenues are dropping. As unemployment rises and consumption declines, state income and sales taxes dwindle. States are projected to face deficits of \$350 billion over the next 30 months.¹ Since almost all states have to balance their budgets, most cannot afford to maintain their existing Medicaid programs, and certainly cannot afford to accommodate a large influx of new enrollees resulting from the recession.
- The gap between the need for Medicaid and states' ability to meet that need is large. In a recent Kaiser Foundation report, the Urban Institute estimates that the gap over the next two and a half years between Medicaid costs and states' ability to meet those costs — considering both enrollment increases and revenue losses — would be approximately \$100 billion if unemployment averages 9 percent.² However, that was calculated as the estimated sum of the “exact” amount each state would need to meet its Medicaid costs. Since it is not practically possible to craft legislation that would give each state exactly what it needs, total federal assistance would need to be significantly more than \$100 billion to keep the program whole.

¹ McNichol and Lav, *State Budget Troubles Worsen*, January 14, 2009. <http://www.cbpp.org/9-8-08sfp.htm>

² Holahan and Garrett, *Rising Unemployment, Medicaid, and the Uninsured*, January, 2009. <http://www.kff.org/uninsured/upload/7850.pdf>

The House proposal would provide three elements of Medicaid fiscal relief assistance to states:

- First, all states would be “held harmless” for drops in the federal share of Medicaid — known as FMAP — that states would otherwise automatically experience this year (federal fiscal year 2009) and into federal fiscal year 2011. This is necessary to prevent states from losing federal funding as a result of much stronger economic conditions that may have prevailed in a state three years ago, since FMAP is calculated based on a state’s per capita income and with a substantial lag.
- Second, all states would receive a “base” 4.9 percentage point increase in the share of the Medicaid program the federal government pays. Thus in a state like New York in which the federal government usually pays 50 percent of the program, the base federal share for the period of assistance would equal 54.9 percent. In a state like Mississippi in which the federal government usually pays approximately 76 percent of the program, the base federal share for the period of assistance would be 80.9 percent.³
- Third, states that are experiencing particularly poor economic conditions, as indicated by a significant increase in unemployment, would receive additional assistance. Depending on the extent of the percentage point increase in the state’s unemployment rate, a state could receive an 8 percent, 12 percent, or 14 percent reduction in the share of Medicaid that the state pays. (See technical note for further explanation of these provisions.)

This fiscal assistance for states would be effective for the period October 1, 2008, through December 31, 2010. The qualification of each state for a higher level of assistance because of unemployment rate increases would be evaluated each quarter, and states would receive the additional assistance if their economic situation worsens. While a state’s additional assistance could be increased, no state’s additional assistance would be reduced as a result of dropping unemployment before July 1, 2010.

To receive any increased FMAP, a state must not have Medicaid eligibility levels that are more restrictive than were in effect on July 1, 2008. Restrictions on eligibility include changes that make it more difficult for recipients to meet procedural requirements for enrollment or periodic renewal of their coverage. States that restrict eligibility would be allowed to reverse their actions and still qualify for an increased FMAP in the first calendar quarter they have restored their Medicaid eligibility.

The tables below show illustrative estimates of the amount of assistance each state would potentially receive, based on projections of future economic conditions. Of course, those projections are highly uncertain; the uncertainty is greater than usual because no one knows how successful efforts to stimulate the economy through this economic recovery legislation and other means will be. (The projections used here do incorporate some economic improvement as a result of the recovery legislation.) As a result of these uncertainties, readers should be aware that the amount of assistance any state would receive under this legislation could differ substantially from the estimates shown here.

³ The higher FMAP increase would apply to the costs of Medicaid benefits and Title IV-E foster care and adoption assistance, but not to CHIP and other Title IV programs that have federal matching rates based on the FMAP.

**TABLE 2: FEDERAL FUNDING FOR STATE MEDICAID COSTS UNDER
THE HOUSE STIMULUS BILL, BY STATE FISCAL YEAR**

(in \$ thousands)

STATE	SFY09	SFY10	SFY11	TOTAL
Alabama (a)	\$304,121	\$378,779	\$100,365	\$783,265
Alaska	\$58,612	\$120,176	\$67,534	\$246,321
Arizona	\$574,437	\$851,879	\$453,475	\$1,879,792
Arkansas	\$135,625	\$304,248	\$174,989	\$614,862
California	\$3,612,818	\$4,911,064	\$2,545,330	\$11,069,212
Colorado	\$227,926	\$413,516	\$214,193	\$855,635
Connecticut	\$331,769	\$569,075	\$306,343	\$1,207,187
Delaware	\$79,417	\$151,013	\$83,715	\$314,145
District of Columbia (a)	\$114,100	\$137,174	\$36,960	\$288,235
Florida	\$1,397,307	\$1,883,953	\$973,819	\$4,255,079
Georgia	\$495,803	\$750,027	\$391,598	\$1,637,428
Hawaii	\$94,592	\$160,729	\$84,860	\$340,182
Idaho	\$81,105	\$127,836	\$67,918	\$276,859
Illinois	\$881,106	\$1,311,197	\$686,745	\$2,879,048
Indiana	\$323,329	\$578,157	\$300,123	\$1,201,609
Iowa	\$108,062	\$219,255	\$114,213	\$441,529
Kansas	\$83,746	\$192,180	\$112,597	\$388,522
Kentucky	\$250,803	\$438,715	\$232,633	\$922,150
Louisiana	\$339,286	\$774,318	\$438,514	\$1,552,118
Maine	\$116,056	\$209,458	\$108,901	\$434,414
Maryland	\$371,181	\$664,190	\$371,118	\$1,406,488
Massachusetts	\$554,879	\$1,361,344	\$720,329	\$2,636,552
Michigan (a)	\$964,393	\$1,002,009	\$262,860	\$2,229,262
Minnesota	\$490,780	\$919,917	\$481,477	\$1,892,174
Mississippi	\$164,959	\$347,217	\$185,294	\$697,470
Missouri	\$402,175	\$713,927	\$378,536	\$1,494,639
Montana	\$44,706	\$84,344	\$45,029	\$174,078
Nebraska	\$59,193	\$121,558	\$63,032	\$243,783
Nevada	\$140,589	\$197,135	\$103,187	\$440,910
New Hampshire	\$49,659	\$113,188	\$68,816	\$231,664
New Jersey	\$554,530	\$1,029,288	\$551,329	\$2,135,147
New Mexico	\$133,951	\$250,001	\$144,534	\$528,486
New York (b)	\$1,940,569	\$5,848,185	\$4,663,241	\$12,451,995
North Carolina	\$702,147	\$1,028,683	\$536,209	\$2,267,040
North Dakota (c)	\$22,981	\$43,131	\$24,357	\$90,469
Ohio	\$780,600	\$1,341,859	\$704,414	\$2,826,874
Oklahoma	\$191,907	\$429,750	\$238,373	\$860,029
Oregon (c)	\$249,599	\$364,575	\$188,397	\$802,571
Pennsylvania	\$1,062,155	\$1,902,492	\$1,010,246	\$3,974,892
Rhode Island	\$148,809	\$201,224	\$104,096	\$454,129
South Carolina	\$211,876	\$342,265	\$178,337	\$732,477
South Dakota	\$24,463	\$47,654	\$24,544	\$96,661
Tennessee	\$408,664	\$707,616	\$364,259	\$1,480,539
Texas (d)	\$1,491,757	\$2,658,083	\$965,358	\$5,115,199
Utah	\$76,326	\$138,968	\$78,163	\$293,457
Vermont	\$61,955	\$124,180	\$68,012	\$254,147
Virginia	\$339,795	\$705,969	\$377,455	\$1,423,220
Washington (c)	\$504,133	\$960,921	\$520,531	\$1,985,585
West Virginia	\$95,649	\$182,762	\$103,888	\$382,299
Wisconsin	\$241,882	\$538,209	\$313,342	\$1,093,433
Wyoming (c)	\$18,479	\$51,996	\$31,802	\$102,277

Note: Unless otherwise indicated, states operate on July-to-June fiscal years. Fiscal years are referred to by the year in which they end. Thus, in most states, FY2010 covers July 1, 2009 through June 30, 2010. (a) The fiscal years of Alabama, the District of Columbia, and Michigan end September 30. (b) New York's fiscal year ends March 31. (c) North Dakota, Oregon, Washington, and Wyoming operate on biennial budgets ending in June. For those states, aid estimates are for half a budget cycle. (d) Texas's fiscal year ends August 31.

DETAILED TECHNICAL EXPLANATION OF THE HOUSE FMAP PROVISION

Under Section 5001 of the House economic recovery package, states would receive a temporary increase in the federal Medicaid matching rate (known as the "FMAP") for the period October 1, 2008 through December 31, 2010.

The FMAP increase primarily consists of three components:

1. "Hold Harmless": A state whose FMAP rate in fiscal year 2009 is scheduled to be lower than the FMAP in FY 2008 would be able to remain at the higher FY 2008 rate for 2009. States whose fiscal year 2010 rate would otherwise be lower than its fiscal year 2009 and/or fiscal year 2008 rate would be able to remain at the prior year rate, whichever is highest. Finally, states whose fiscal year 2011 rate would otherwise be lower than its fiscal year 2008, fiscal year 2009 and/or fiscal year 2010 rates would be able to remain at the highest rate for those three fiscal years during the first quarter of fiscal year 2011.

Example: State X has a 60 percent FMAP in fiscal year 2008 and is scheduled to have its FMAP in fiscal year 2009 reduced to 59.5 percent. Under the hold harmless provision, the state's FMAP would remain at 60 percent in fiscal year 2009. If the FMAP for State X for fiscal years 2010 and 2011 is otherwise scheduled to be less than 60 percent, the state would have a 60 percent FMAP for 2010 and the first quarter of 2011 as well.

2. Base Increase: Each state's FMAP, after application of the hold harmless provision, would be further increased by 4.9 percentage points.

Example: After application of the hold harmless provision, State X's FMAP would be increased from 60 percent in to 64.9 percent for fiscal years 2009 and 2010 and the first quarter of fiscal year 2011.

3. Additional Increase for States with Unemployment Rate Increases: A state qualifying as a "high unemployment" state would be eligible for an additional increase of their FMAP, after application of the hold harmless provision and the base increase. A state qualifies as a high unemployment state if its average unemployment rate for the most recent three month period for which unemployment data is available exceeds by at least 1.5 percentage points the lowest average monthly unemployment rate for any three-month period after January 1, 2006 (the base period).⁴ The additional FMAP increase a high unemployment rate state receives is determined by the number of percentage points by which the unemployment rate exceeds the lowest rate in that state, measured as described above:

- If the state's unemployment rate exceeds the lowest rate by 1.5 to 2.5 percentage points, the state's FMAP would be increased by the number of percentage points equal to the amount necessary to reduce the state's share of the cost of Medicaid by 6 percent. This calculation is made after application of the hold harmless provision but *before* application of the base increase.

⁴ Under the House provision, first two quarters of assistance would be based the increase in the unemployment rate between the base period and the fourth quarter of calendar year 2008.

- If the state's rate exceeds the lowest rate by 2.5 to 3.5 percentage points, the state's FMAP would be increased to reduce the share of the cost of Medicaid by 12 percent.
- If the state's share exceeds the lowest rate by at least 3.5 percentage points, the state's FMAP would be increased to reduce the share of the cost of Medicaid by 14 percent.

If a state during any quarter becomes a high unemployment state, or if a high unemployment state experiences an unemployment rate increase that qualifies the state for even greater assistance, the state would become eligible for the larger FMAP increase in the next calendar quarter. No state would have its additional assistance reduced from the levels provided in the previous calendar quarter based on changes to its unemployment rate at least through July 1, 2010.

Example: State X has already experienced a 2.6 percentage point increase in its unemployment rate based on the most recent data compared to its lowest unemployment rate since January 1, 2006. After application of the hold harmless provision, State X's FMAP is 60 percent. This means that the state's share of the cost prior to application of the base increase equals 40 percent. This share of the cost would be reduced by 12 percent, or 4.8 percentage points, because the state qualifies for the second level of additional assistance. State X's FMAP would thus be further increased by 4.8 percentage points, which translates into a FMAP of 69.7 percent. If State X subsequently sees its unemployment rate increase exceed 3.5 percentage points, it will qualify for the highest level of additional assistance in the next calendar quarter. Its share of the cost would then be reduced by 14 percent, or 5.6 percentage points. State X's FMAP would then be 70.5 at least through July 1, 2010.

The FMAP increase would generally apply to all Medicaid costs. (As of this writing, it is still unclear whether Disproportionate Share Hospital (DSH) payments made to hospitals that serve low-income patients and Medicaid beneficiaries are included. The tables do not apply the FMAP increases to DSH payments.) The increase would not apply to non-Medicaid program costs like SCHIP whose matching rates are based on the FMAP, with the exception of title IV-E costs. (Only the increase in the matching rate due to the hold harmless provision and the base increase, however, would apply to title IV-E.)

The territories — Puerto Rico, American Samoa, Guam, the Northern Marianas Islands, and the Virgin Islands — would generally receive a temporary increase in their federal funding cap. While the FMAP for each of the territories is set at 50 percent and total federal funding for each of the territories is capped. The cap would be increased by 20 percent for the period October 1, 2008 through December 31, 2010. (A territory, however, may elect instead to have its cap increased 10 percent and its FMAP increased 4.9 percentage points to 54.9 percent.)

States would generally only be eligible for the FMAP increase if they ensure that their Medicaid eligibility criteria and enrollment/renewal procedures are no more restrictive than those in place on July 1, 2009. States that restrict their eligibility during the duration of the FMAP become eligible again for the FMAP increase in the first calendar quarter in which they reinstate their eligibility to July 1, 2008 levels. States who have restricted eligibility after July 1, 2008 but before enactment of this provision would be eligible for the FMAP increase starting with the first calendar quarter of fiscal year 2009 if they reinstate their eligibility no later than July 1, 2009.

States that require local governments to finance a portion of the state's share of the cost of Medicaid would be prohibited from raising the effective proportion paid by local governments compared to the levels prior to any temporary FMAP increase. In addition, states would not be permitted to deposit any federal funds provided through the temporary FMAP increase into their rainy day funds.



COMMITTEE ON APPROPRIATIONS

DAVE OBEY (D-WI), CHAIRMAN

For Immediate Release

Thursday, January 21, 2009

Contact: Kirstin Brost, 202-225-2771

SUMMARY: AMERICAN RECOVERY AND REINVESTMENT AS PASSED BY THE FULL COMMITTEE

The economy is in a crisis not seen since the Great Depression.

Credit is frozen, consumer purchasing power is in decline, in the last four months the country has lost 2 million jobs and we are expected to lose another 3 to 5 million in the next year.

Conservative economist Mark Zandi was blunt: "the economy is shutting down."

In the next two weeks, the Congress will be considering the American Recovery and Reinvestment Bill of 2009. This package is the first crucial step in a concerted effort to create and save 3 to 4 million jobs, jumpstart our economy, and begin the process of transforming it for the 21st century with \$275 billion in economic recovery tax cuts and \$550 billion in thoughtful and carefully targeted priority investments with unprecedented accountability measures built in.

The package contains targeted efforts in:

- Clean, Efficient, American Energy
- Transforming our Economy with Science and Technology
- Modernizing Roads, Bridges, Transit and Waterways
- Education for the 21st Century
- Tax Cuts to Make Work Pay and Create Jobs
- Lowering Healthcare Costs
- Helping Workers Hurt by the Economy
- Saving Public Sector Jobs and Protect Vital Services

The economy is in such trouble that, even with passage of this package, unemployment rates are expected to rise to between eight and nine percent this year. Without this package, we are warned that unemployment could explode to near twelve percent. With passage of this package, we will face a large deficit for years to come. Without it, those deficits will be devastating and we face the risk of economic chaos. Tough choices have been made in this legislation and fiscal discipline will demand more tough choices in years to come.

Since 2001, as worker productivity went up, 96% of the income growth in this country went to the wealthiest 10% of society. While they were benefitting from record high worker productivity, the remaining 90% of Americans were struggling to sustain their standard of living. They sustained it by borrowing... and borrowing... and borrowing, and when they couldn't borrow anymore, the bottom fell out. This plan will strengthen the middle class, not just Wall Street CEOs and special interests in Washington.

Our short term task is to try to prevent the loss of millions of jobs and get our economy moving. The long term task is to make the needed investments that restore the ability of average middle income families to increase their income and build a decent future for their children.

EXECUTIVE SUMMARY

Unprecedented Accountability: A historic level of transparency, oversight and accountability will help guarantee taxpayer dollars are spent wisely and Americans can see results for their investment.

- In many instances funds are distributed through existing formulas to programs with proven track records and accountability measures already in place.
- How funds are spent, all announcements of contract and grant competitions and awards, and formula grant allocations must be posted on a special website created by the President. Program managers will also be listed so the public knows who to hold accountable.
- Public notification of funding must include a description of the investment funded, the purpose, the total cost and why the activity should be funded with recovery dollars. Governors, mayors or others making funding decisions must personally certify that the investment has been fully vetted and is an appropriate use of taxpayer dollars. This will also be placed on the recovery website.
- A Recovery Act Accountability and Transparency Board will be created to review management of recovery dollars and provide early warning of problems. The seven member board includes Inspectors General and Deputy Cabinet secretaries.
- The Government Accountability Office and the Inspectors General are provided additional funding and access for special review of recovery funding.
- State and local whistleblowers who report fraud and abuse are protected.
- There are no earmarks in this package.

This plan targets investments to key areas that will create and preserve good jobs at the same time as it is strengthening the ability of this economy to become more efficient and produce more opportunities for employment.

Clean, Efficient, American Energy: To put people back to work today and reduce our dependence on foreign oil tomorrow, we will strengthen efforts directed at doubling renewable energy production and renovate public buildings to make them more energy efficient.

- \$32 billion to transform the nation's energy transmission, distribution, and production systems by allowing for a smarter and better grid and focusing investment in renewable technology.
- \$16 billion to repair public housing and make key energy efficiency retrofits.
- \$6 billion to weatherize modest-income homes.

Transform our Economy with Science and Technology: We need to put scientists to work looking for the next great discovery, creating jobs in cutting-edge-technologies, and making smart investments that will help businesses in every community succeed in a global economy. For every dollar invested in broadband the economy sees a ten-fold return on that investment.

- \$10 billion for science facilities, research, and instrumentation.
- \$6 billion to expand broadband internet access so businesses in rural and other underserved areas can link up to the global economy.

Modernize Roads, Bridges, Transit and Waterways: To build a 21st century economy, we must engage contractors across the nation to create jobs rebuilding our crumbling roads, and bridges, modernize public buildings, and put people to work cleaning our air, water and land.

- \$30 billion for highway construction;
- \$31 billion to modernize federal and other public infrastructure with investments that lead to long term energy cost savings;
- \$19 billion for clean water, flood control, and environmental restoration investments;
- \$10 billion for transit and rail to reduce traffic congestion and gas consumption.

Education for the 21st Century: To enable more children to learn in 21st century classrooms, labs, and libraries to help our kids compete with any worker in the world, this package provides:

- \$41 billion to local school districts through Title I (\$13 billion), IDEA (\$13 billion), a new School Modernization and Repair Program (\$14 billion), and the Education Technology program (\$1 billion).
- \$79 billion in state fiscal relief to prevent cutbacks to key services, including \$39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas, \$15 billion to states as bonus grants as a reward for meeting key performance measures, and \$25 billion to states for other high priority needs such as public safety and other critical services, which may include education.
- \$15.6 billion to increase the Pell grant by \$500.
- \$6 billion for higher education modernization.

Tax Cuts to Make Work Pay and Create Jobs: We will provide direct tax relief to 95 percent of American workers, and spur investment and job growth for American Businesses. [marked up by the Ways and Means Committee]

Lower Healthcare Costs: To save not only jobs, but money and lives, we will update and computerize our healthcare system to cut red tape, prevent medical mistakes, and help reduce healthcare costs by billions of dollars each year.

- \$20 billion for health information technology to prevent medical mistakes, provide better care to patients and introduce cost-saving efficiencies.
- \$4.1 billion to provide for preventative care and to evaluate the most effective healthcare treatments.

Help Workers Hurt by the Economy: High unemployment and rising costs have outpaced Americans' paychecks. We will help workers train and find jobs, and help struggling families make ends meet.

- \$43 billion for increased unemployment benefits and job training.
- \$39 billion to support those who lose their jobs by helping them to pay the cost of keeping their employer provided healthcare under COBRA and providing short-term options to be covered by Medicaid.
- \$20 billion to increase the food stamp benefit by over 13% in order to help defray rising food costs.

Save Public Sector Jobs and Protect Vital Services: We will provide relief to states, so they can continue to employ teachers, firefighters and police officers and provide vital services without having to unnecessarily raise middle class taxes.

- \$87 billion for a temporary increase in the Medicaid matching rate.
- \$4 billion for state and local law enforcement funding.

CREATE JOBS WITH CLEAN, EFFICIENT, AMERICAN ENERGY

To put people back to work today and reduce our dependence on foreign oil tomorrow, we will make investments aimed at doubling renewable energy production and renovate public buildings to make them more energy efficient.

- **Reliable, Efficient Electricity Grid:** \$11 billion for research and development, pilot projects, and federal matching funds for the Smart Grid Investment Program to modernize the electricity grid making it more efficient, secure, and reliable and build new power lines to transmit clean, renewable energy from sources throughout the nation.
- **Renewable Energy Loan Guarantees:** \$8 billion for loans for renewable energy power generation and transmission projects.
- **GSA Federal Buildings:** \$6.7 billion for renovations and repairs to federal buildings including at least \$6 billion focused on increasing energy efficiency and conservation. Projects are selected based on GSA's ready-to-go priority list.
- **Local Government Energy Efficiency Block Grants:** \$6.9 billion to help state and local governments make investments that make them more energy efficient and reduce carbon emissions.
- **Energy Efficiency Housing Retrofits:** \$2.5 billion for a new program to upgrade HUD sponsored low-income housing to increase energy efficiency, including new insulation, windows, and furnaces. Funds will be competitively awarded.
- **Energy Efficiency and Renewable Energy Research:** \$2 billion for energy efficiency and renewable energy research, development, demonstration, and deployment activities to foster energy independence, reduce carbon emissions, and cut utility bills. Funds are awarded on a competitive basis to universities, companies, and national laboratories.
- **Advanced Battery Loans and Grants:** \$2 billion for the Advanced Battery Loan Guarantee and Grants Program, to support U.S. manufacturers of advanced vehicle batteries and battery systems. America should lead the world in transforming the way automobiles are powered.
- **Department of Defense Efficiency:** \$1.8 billion for efforts to make our military bases more energy efficient, beyond benefits that will come from replacing and repairing facilities.
- **Energy Efficiency Grants and Loans for Institutions:** \$1.5 billion for energy sustainability and efficiency grants and loans to help school districts, institutes of higher education, local governments, and municipal utilities implement projects that will make them more energy efficient.
- **Home Weatherization:** \$6.2 billion to help low-income families reduce their energy costs by weatherizing their homes and make our country more energy efficient.
- **Smart Appliances:** \$300 million to provide consumers with rebates for buying energy efficient Energy Star products to replace old appliances, which will lower energy bills.
- **GSA Federal Fleet:** \$600 million to replace older vehicles owned by the federal government with alternative fuel automobiles that will save on fuel costs and reduce carbon emissions.
- **Electric Transportation:** \$200 million for a new grant program to encourage electric vehicle technologies.
- **Cleaning Fossil Energy:** \$2.4 billion for carbon capture and sequestration technology demonstration projects. This funding will provide valuable information necessary to reduce the amount of carbon dioxide emitted into the atmosphere from industrial facilities and fossil fuel power plants.
- **Department of Defense Research:** \$350 million for research into using renewable energy to power weapons systems and military bases.
- **Alternative Buses and Trucks:** \$400 million to help state and local governments purchase efficient alternative fuel vehicles to reduce fuel costs and carbon emissions.
- **Industrial Energy Efficiency:** \$500 million for energy efficient manufacturing demonstration projects.
- **Diesel Emissions Reduction:** \$300 million for grants and loans to state and local governments for projects that reduce diesel emissions, benefiting public health and reducing global warming. This includes technologies to retrofit emission exhaust systems on school buses, replace engines and vehicles, and establish anti-idling programs. 70% of the funds go to competitive grants and 30% funds grants to states with approved programs. Last year EPA was able to fund only 27% of the applications received.

TRANSFORMING OUR ECONOMY WITH SCIENCE AND TECHNOLOGY

We need to put scientists to work looking for the next great discovery, create jobs in cutting-edge technologies and making smart investments that will help businesses in every community succeed in a global economy.

Broadband to Give Every Community Access to the Global Economy

- **Wireless and Broadband Grants:** \$6 billion for broadband and wireless services in underserved areas to strengthen the economy and provide business and job opportunities in every section of America with benefits to e-commerce, education, and healthcare. For every dollar invested in broadband the economy sees a ten-fold return on that investment.

Scientific Research

- **National Science Foundation:** \$3 billion, including \$2 billion for expanding employment opportunities in fundamental science and engineering to meet environmental challenges and to improve global economic competitiveness, \$400 million to build major research facilities that perform cutting edge science, \$300 million for major research equipment shared by institutions of higher education and other scientists, \$200 million to repair and modernize science and engineering research facilities at the nation's institutions of higher education and other science labs, and \$100 million is also included to improve instruction in science, math and engineering.
- **National Institutes of Health Biomedical Research:** \$2 billion, including \$1.5 billion for expanding good jobs in biomedical research to study diseases such as Alzheimer's, Parkinson's, cancer, and heart disease - NIH is currently able to fund less than 20% of approved applications - and \$500 million to implement the repair and improvement strategic plan developed by the NIH for its campuses.
- **University Research Facilities:** \$1.5 billion for NIH to renovate university research facilities and help them compete for biomedical research grants. The National Science Foundation estimates a maintenance backlog of \$3.9 billion in biological science research space. Funds are awarded competitively.
- **Centers for Disease Control and Prevention:** \$462 million to enable CDC to complete its Buildings and Facilities Master Plan, as well as renovations and construction needs of the National Institute for Occupational Safety and Health.
- **Department of Energy:** \$2 billion for basic research into the physical sciences including high-energy physics, nuclear physics, and fusion energy sciences and improvements to DOE laboratories and scientific facilities. \$400 million is for the Advanced Research Project Agency - Energy to support high-risk, high-payoff research into energy sources and energy efficiency.
- **NASA:** \$600 million, including \$400 million to put more scientists to work doing climate change research, including Earth science research recommended by the National Academies, satellite sensors that measure solar radiation critical to understanding climate change, and a thermal infrared sensor to the Landsat Continuing Mapper necessary for water management, particularly in the western states; \$150 million for research, development, and demonstration to improve aviation safety and Next Generation air traffic control (NextGen); and \$50 million to repair NASA centers damaged by hurricanes and floods last year.
- **Biomedical Advanced Research and Development, Pandemic Flu, and Cyber Security:** \$900 million to prepare for a pandemic influenza, support advanced development of medical countermeasures for chemical, biological, radiological, and nuclear threats, and for cyber security protections at HHS.
- **National Oceanic and Atmospheric Administration Satellites and Sensors:** \$600 million for satellite development and acquisitions, including climate sensors and climate modeling.
- **National Institute of Standards and Technology:** \$300 million for competitive construction grants for research science buildings at colleges, universities, and other research organizations and \$100 million to coordinate research efforts of laboratories and national research facilities by setting interoperability standards for manufacturing.
- **Agricultural Research Service:** \$209 million for agricultural research facilities across the country. ARS has a list of deferred maintenance work at facilities of roughly \$315 million.

- **U.S. Geological Survey:** \$200 million to repair and modernize U.S.G.S. science facilities and equipment, including improvements to laboratories, earthquake monitoring systems, and computing capacity.

Creating Small Business Opportunity

- **Small Business Credit:** \$430 million for new lending assistance and loan guarantee authorities to make loans more attractive to lenders and free up capital. The number of loans guaranteed under the SBA's 7(a) business loan program was down 57% in the first quarter of this year compared to last.
- **Rural Business-Cooperative Service:** \$100 million for rural business grants and loans to guarantee \$2 billion in loans for rural businesses at a time of unprecedented demand due to the credit crunch. Private sector lenders are increasingly turning to this program to help businesses get access to capital.
- **Industrial Technology Services:** \$100 million, including \$70 million for the Technology Innovation Program to accelerate research in potentially revolutionary technologies with high job growth potential, and \$30 million for the Manufacturing Extension Partnerships to help small and mid-size manufacturers compete globally by providing them with access to technology.
- **Economic Development Assistance:** \$250 million to address long-term economic distress in urban industrial cores and rural areas distributed based on need and ability to create jobs and attract private investment. EDA leverages \$10 in private investments for \$1 in federal funds.

DTV Conversion Coupons: \$650 million to continue the coupon program to enable American households to convert from analog television transmission to digital transmission.

MODERNIZE ROADS, BRIDGES, TRANSIT AND WATERWAYS

To build a 21st century economy, we must engage contractors across the nation to create jobs - rebuilding our crumbling roads and bridges, modernizing public buildings, and putting people to work cleaning our air, water, and land.

Highway Infrastructure: \$30 billion for highway and bridge construction projects. It is estimated that states have over 5,100 projects totaling over \$64 billion that could be awarded within 180 days. These projects create jobs in the short term while saving commuters time and money in the long term. In 2006, the Department of Transportation estimated \$8.5 billion was needed to maintain current systems and \$61.4 billion was needed to improve highways and bridges.

Transit: Public transportation saves Americans time and money, saving as much as 4.2 billion gallons of gasoline and reducing carbon emissions by 37 million metric tons each year.

- **New Construction:** \$1 billion for Capital Investment Grants for new commuter rail or other light rail systems to increase public use of mass transit and to speed projects already in construction. The Federal Transit Administration has \$2.4 billion in pre-approved projects.
- **Upgrades and Repair:** \$2 billion to modernize existing transit systems, including renovations to stations, security systems, computers, equipment, structures, signals, and communications. Funds will be distributed through the existing formula. The repair backlog is nearly \$50 billion.
- **Transit Capital Assistance:** \$6 billion to purchase buses and equipment needed to increase public transportation and improve intermodal and transit facilities. The Department of Transportation estimates a \$3.2 billion maintenance backlog and \$9.2 billion in needed improvements. The American Public Transportation Association identified 787 ready-to-go transit projects totaling \$15.5 billion. Funds will be distributed through the existing formulas.

Amtrak and Intercity Passenger Rail Construction Grants: \$1.1 billion to improve the speed and capacity of intercity passenger rail service. The Department of Transportation's Inspector General estimates the North East Corridor alone has a backlog of over \$10 billion.

Airport Improvement Grants: \$3 billion for airport improvement projects that will improve safety and reduce congestion. An estimated \$41 billion in eligible airport infrastructure projects are needed between 2007-2011.

Transportation Security Administration Explosive Detection Systems: \$500 million to install Aviation Explosive Detection Systems in the nation's airports, improving security, and making life easier on travelers by speeding security lines. Funds are competitively awarded based on security risk.

Coast Guard Bridges: \$150 million for ready-to-go investments to repair or remove bridges deemed hazardous to marine navigation, thereby removing obstructions and improving the safety of marine navigation.

Technology Improvements for a More Efficient and Secure Government

- **Social Security Administration Modernization:** \$400 million to replace the 30 year old Social Security Administration's National Computer Center to meet growing needs for processing retirement and disability claims and records storage.
- **Farm Service Agency:** \$245 million for critical IT improvements to systems that have been unable to handle workload increases.
- **State Department Technology:** \$276 million to upgrade and modernize information technology platforms for the Department to meet security requirements post-9/11.
- **Department of Agriculture:** \$44 million for repairs and security improvements at USDA's headquarters.

Department of Defense Facilities

- **Medical Facilities:** \$3.75 billion for new construction of hospitals and ambulatory surgical centers, and \$455 million in renovations to provide state-of-the-art medical care to service members and their families.
- **Facilities Renovations:** \$2.1 billion to address needed repairs to military facilities.
- **Troop Housing:** \$1.2 billion for new construction and \$154 million for renovations to improve housing for our troops.
- **Child Development Center:** \$360 million for new child development centers.
- **Guard and Reserve:** \$400 million for new construction to support Guard and Reserve units across the country with operations and training facilities and utilities infrastructure.

Veterans Administration Facilities

- **Veterans Medical Facilities:** \$950 million for veterans' medical facilities. The Department has identified a \$5 billion backlog in needed repairs, including energy efficiency projects, at its 153 medical facilities.
- **Veterans Cemeteries:** \$50 million to put people to work making monument and memorial repairs at cemeteries for American heroes.

Border Ports of Entry: \$1.15 billion to construct GSA and Customs and Border Protection land ports of entry to improve border security, make trade and travel easier and reduce wait times, and to procure non-intrusive inspection technology at sea ports of entry, which is used to scan cargo containers to reduce the risk that containers can be used to smuggle weapons of mass destruction.

Job Corps Facilities: \$300 million to upgrade job training facilities serving at-risk youth while improving energy efficiency.

Construction on Public Lands and Parks: \$3.1 billion for infrastructure projects on federal lands including improvements to visitor facilities, road and trail restoration, preservation of buildings of cultural and historic importance, rehabilitation of abandoned mines and oil fields, and environmental cleanup projects. This includes \$1.8 billion for the National Park Service, \$325 million for the Bureau of Land Management, \$300 million for the National Wildlife Refuges and National Fish Hatcheries, and \$650 million for the Forest Service.

National Treasures: \$400 million, including \$200 million to address the deterioration of the National Mall, such as repair of the Jefferson Memorial's collapsing Tidal Basin walls; \$150 million to address the repair backlog at the Smithsonian; and \$50 million for the National Endowment for the Arts.

Clean Water

- **Clean Water State Revolving Fund:** \$6 billion for loans to help communities upgrade wastewater treatment systems. EPA estimates a \$388 billion funding gap. The Association of State and Interstate Water Pollution Control Administrators found that 26 states have \$10 billion in approved water projects.
- **Drinking Water State Revolving Fund:** \$2 billion for loans for drinking water infrastructure. EPA estimates there is a \$274 billion funding gap. The National Governors Association reported that there are \$6 billion in ready-to-go projects, which could quickly be obligated.
- **Rural Water and Waste Disposal:** \$1.5 billion to support \$3.8 billion in grants and loans to help communities fund drinking water and wastewater treatment systems. In 2008, there were \$2.4 billion in requests for water and waste loans and \$990 million for water and waste grants went unfunded.

Water Resources

- **Corps of Engineers:** \$4.5 billion for environmental restoration, flood protection, hydropower, and navigation infrastructure critical to the economy. The Corps has a construction backlog of \$61 billion.
- **Bureau of Reclamation:** \$500 million to provide clean, reliable drinking water to rural areas and to ensure adequate water supply to western localities impacted by drought. The Bureau has backlogs of more than \$1 billion in rural water projects and water reuse and recycling projects.
- **Watershed Infrastructure:** \$400 million for the Natural Resources Conservation Service watershed improvement programs to design and build flood protection and water quality projects, repair aging dams, and purchase and restore conservation easements in river flood zones.
- **International Boundary and Water Commission:** \$224 million to repair flood control systems along the international segment of the Rio Grande damaged by hurricane Katrina and other serious storms.

Environmental Cleanup

- **Superfund Hazardous Waste Cleanup:** \$800 million to clean up hazardous and toxic waste sites that threaten health and the environment. EPA has 1,255 sites on its National Priority List, selected based on a hazard ranking system. There are many Superfund sites ready for construction, but not funded due to budget shortfalls and over 600 sites with ongoing construction that could be accelerated.
- **Leaking Underground Storage Tanks:** \$200 million for enforcement and cleanup of petroleum leaks from underground storage tanks at approximately 1,600 additional sites. There are an estimated 116,000 sites with the potential to contaminate important water supplies.
- **Nuclear Waste Cleanup:** \$500 million for nuclear waste cleanup at sites contaminated as a result of the nation's past nuclear activities. Accelerating the completion of projects will reduce long-term costs.
- **Closed Military Bases:** \$300 million for cleanup activities at closed military installations allowing local communities to redevelop these properties for productive use. The Department estimates that there is a \$3.5 billion environmental cleanup backlog at bases closed during previous BRAC rounds.
- **NOAA Habitat Restoration:** \$400 million for ready-to-go habitat restoration projects.
- **Brownfields:** \$100 million for competitive grants for evaluation and cleanup of former industrial and commercial sites - turning them from problem properties to productive community use. Last year EPA was only able to fund 37% of Brownfields applications.

Reducing Wildfires Threats: \$850 million for hazardous fuels removal and other efforts to prevent wildfires on public lands. Making these investments today will create jobs in the short run, but also save long term costs of fighting fires in the future.

- **State and Private Forest Service Wildfire:** \$550 million for state and local volunteer programs and hazardous fuels reduction efforts which states and communities have determined are of the highest priority.
- **Federal Forest Service Wildfire:** \$300 million for urgently needed hazard reduction on federal lands.

Bureau of Indian Affairs: \$500 million to address maintenance backlogs at schools, dams, detention and law enforcement facilities, and over 24,000 miles of roads. BIA schools alone have an over \$1 billion construction and maintenance backlog including shamefully unsafe conditions.

EDUCATION FOR THE 21ST CENTURY

We will put people to work building 21st century classrooms, labs, and libraries to help our kids compete with any worker in the world.

21st Century Classrooms

- **School Construction:** \$20 billion, including \$14 billion for K-12 and \$6 billion for higher education, for renovation and modernization, including technology upgrades and energy efficiency improvements. Also includes \$100 million for school construction in communities that lack a local property tax base because they contain non-taxable federal lands such as military bases or Indian reservations, and \$25 million to help charter schools build, obtain, and repair schools.
- **Education Technology:** \$1 billion for 21st century classrooms, including computer and science labs and teacher technology training.

Higher Education: Tuition is up, unemployment is up, and as a result more people are choosing to go to school to upgrade their skills and more of these students need student aid. This investment addresses those short term needs while investing in our nation's future economic strength.

- **Pell Grants:** \$15.6 billion to increase the maximum Pell Grant by \$500, from \$4,850 to \$5,350.
- **College Work-Study:** \$490 million to support undergraduate and graduate students who work.
- **Student Loan Limit Increase:** Increases limits on unsubsidized Stafford loans by \$2,000.
- **Student Aid Administration:** \$50 million to help the Department of Education administer surging student aid programs while navigating the changing student loan environment.

K-12 Education: As states begin tackling a projected \$350 billion in budget shortfalls these investments will prevent cuts to critical education programs and services.

- **IDEA Special Education:** \$13 billion for formula grants to increase the federal share of special education costs and prevent these mandatory costs from forcing states to cut other areas of education.
- **Title I Help for Disadvantaged Kids:** \$13 billion for grants to help disadvantaged kids in nearly every school district and more than half of all public schools reach high academic standards.
- **Statewide Data Systems:** \$250 million for competitive grants to states to design and develop data systems that analyze individual student data to find ways to improve student achievement, providing teachers and administrators with effective tools.
- **Education for Homeless Children and Youth:** \$66 million for formula grants to states to provide services to homeless children including meals and transportation when high unemployment and home foreclosures have created an influx of homeless kids.
- **Improving Teacher Quality:** \$300 million, including \$200 million for competitive grants to school districts and states to provide financial incentives for teachers and principals who raise student achievement and close the achievement gaps in high-need schools and \$100 million for competitive grants to states to address teacher shortages and modernize the teaching workforce.

Early Childhood Development

- **Child Care Development Block Grant:** \$2 billion to provide child care services for an additional 300,000 children in low-income families while their parents go to work. Today only one out of seven eligible children receives care.

- **Head Start:** \$2.1 billion to provide comprehensive development services to help 110,000 additional children succeed in school. Funds are distributed based on need. Only about half of all eligible preschoolers and less than 3 percent of eligible infants and toddlers participate in Head Start.
- **IDEA Infants and Families:** \$600 million for formula grants to help states serve children with disabilities age 2 and younger.

LOWER HEALTHCARE COSTS

To save not only jobs, but money and lives, we will update and computerize our healthcare system to cut red tape, prevent medical mistakes, and help reduce healthcare costs by billions of dollars each year.

- **Health Information Technology:** \$20 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.
- **Prevention and Wellness Fund:** \$3 billion to fight preventable chronic diseases, the leading cause of deaths in the U.S., and infectious diseases. Preventing disease rather than treating illnesses is the most effective way to reduce healthcare costs. This includes hospital infection prevention, Preventive Health and Health Services Block Grants for state and local public health departments, immunization programs, and evidence-based disease prevention.
- **Healthcare Effectiveness Research:** \$1.1 billion for Healthcare Research and Quality programs to compare the effectiveness of different medical treatments funded by Medicare, Medicaid, and SCHIP. Finding out what works best and educating patients and doctors will improve treatment.
- **Community Health Centers:** \$1.5 billion, including \$500 million to increase the number of uninsured Americans who receive quality healthcare and \$1 billion to renovate clinics and make health information technology improvements. More than 400 applications submitted earlier this year for new or expanded CHC sites remain unfunded.
- **Training Primary Care Providers:** \$600 million to address shortages and prepare our country for universal healthcare by training primary healthcare providers including doctors, dentists, and nurses as well as helping pay medical school expenses for students who agree to practice in underserved communities through the National Health Service Corps.
- **Indian Health Service Facilities:** \$550 million to modernize aging hospitals and health clinics and make healthcare technology upgrades to improve healthcare for underserved rural populations.

HELP WORKERS HURT BY THE ECONOMY

High unemployment and rising costs have outpaced Americans' paychecks. We will help workers train and find jobs, and help struggling families make ends meet.

Helping Workers Find Jobs

- **Training and Employment Services:** \$4 billion for job training including formula grants for adult, dislocated worker, and youth services (including \$1.2 billion to create up to one million summer jobs for youth). The needs of workers also will be met through dislocated worker national emergency grants, new competitive grants for worker training in high growth and emerging industry sectors (with priority consideration to "green" jobs and healthcare), and increased funds for the YouthBuild program. Green jobs training will include preparing workers for activities supported by other economic recovery funds, such as retrofitting of buildings, green construction, and the production of renewable electric power.
- **Vocational Rehabilitation State Grants:** \$500 million for state formula grants to help persons with disabilities prepare for gainful employment.
- **Employment Services Grants:** \$500 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services. Funds are targeted to states with the greatest need based on labor force, unemployment, and long-term unemployed rates.
- **Community Service Employment for Older Americans:** \$120 million to provide subsidized community service jobs to an additional 24,000 low-income older Americans.

Unemployment Insurance Benefits

- **Benefits Extension:** \$27 billion to continue the current extended unemployment benefits program – which provides up to 33 weeks of extended benefits - through December 31, 2009 given rising unemployment.
- **Increased Benefits:** \$9 billion to increase the current average unemployment insurance benefit from roughly \$300 per week, paid out of State trust funds, by \$25 per week using Federal funds, through December 2009. There are currently 5.3 million workers receiving regular UI and an additional 1.9 million receiving extended benefits.
- **Unemployment Insurance Modernization:** Provides funds to states through a “Reed Act” distribution, tied to states’ meeting specific reforms to increase unemployment insurance coverage for low-wage, part-time, and other jobless workers.

COBRA Healthcare for the Unemployed: \$30.3 billion to extend health insurance coverage to the unemployed, extending the period of COBRA coverage for older and tenured workers beyond the 18 months provided under current law. Specifically, workers 55 and older, and workers who have worked for an employer for 10 or more years will be able to retain their COBRA coverage until they become Medicare eligible or secure coverage through a subsequent employer. In addition, subsidizing the first 12 months of COBRA coverage for eligible persons who have lost their jobs on or after September 1, 2008 at a 65 percent subsidy rate, the same rate provided under the Health Care Tax Credit for unemployed workers under the Trade Adjustment Assistance program. [Ways and Means]

Medicaid Coverage for the Unemployed: Provides 100 percent federal funding through 2010 for optional State Medicaid coverage of individuals (and their dependents) who are receiving unemployment benefits or have exhausted those benefits and have no health insurance coverage. Other optional coverage groups are individuals (and their dependents) who are involuntarily unemployed and uninsured and whose family income does not exceed 200 percent of poverty, and unemployed uninsured individuals who are receiving food stamps.

Attacking the Housing Crisis

- **Public Housing Capital Fund:** \$5 billion for building repair and modernization, including critical safety repairs. Every dollar of Capital Fund expenditures produces \$2.12 in economic return. \$4 billion of the funds will be distributed to public housing authorities through the existing formula and \$1 billion will be awarded through a competitive process for projects that improve energy efficiency.
- **HOME Investment Partnerships:** \$1.5 billion to help local communities build and rehabilitate low-income housing using green technologies. Thousands of ready-to-go housing projects have been stalled by the credit crunch. Funds are distributed by formula.
- **Native American Housing Block Grants:** \$500 million to rehabilitate and improve energy efficiency at some of the over 42,000 housing units maintained by Native American housing programs. Half of the funding will be distributed by formula and half will be competitively awarded to projects that can be started quickly.
- **Neighborhood Stabilization:** \$4.2 billion to help communities purchase and rehabilitate foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight.
- **Homeless Assistance Grants:** \$1.5 billion for the Emergency Shelter Grant program to provide short term rental assistance, housing relocation, and stabilization services for families during the economic crisis. Funds are distributed by formula.
- **Rural Housing Insurance Fund:** \$500 million to support \$22 billion in direct loans and loan guarantees to help rural families and individuals buy homes during the credit crunch. Last year these programs received a record number of applications.
- **Self-Help and Assisted Homeownership Program:** \$10 million for rural, high-need areas to undertake projects using sustainable and energy-efficient building and rehabilitation practices. Funds will be awarded by competition to projects that can begin quickly.

- **Lead Paint:** \$100 million for competitive grants to local governments and nonprofit organizations to remove lead-based paint hazards in low-income housing.
- **Rural Community Facilities:** \$200 million to support \$1.2 billion in grants and loans to rural areas for critical community facilities, such as for healthcare, education, fire and rescue, day care, community centers, and libraries. There are over \$1.2 billion in applications pending.

Alleviating Hunger

- **Supplemental Nutrition Assistance:** \$20 billion to provide nutrition assistance to modest-income families and to lift restrictions that limit the amount of time individuals can receive food stamps.
- **Senior Nutrition Programs:** \$200 million for formula grants to states for elderly nutrition services including Meals on Wheels and Congregate Meals.
- **Afterschool Meals:** \$726 million to increase the number of states that provide free healthy dinners to children in need.
- ***Emergency Food Assistance Program:** \$150 million to purchase commodities for food banks to refill emptying shelves.
- **Supplemental Nutrition Program Information Systems:** \$100 million to improve state management information systems for the WIC program.

Payments to Disabled and Elderly: \$4.2 billion to help 7.5 million low-income disabled and elderly individuals with rising costs by providing an additional SSI payment in 2009 equal to the average monthly federal payment under the program (approximately \$450 for an individual and \$630 for a couple). This one-time payment will serve as an immediate economic stimulus as half of SSI recipients have no other form of income and the other half average outside income of less than \$450 per month.

Community Services Block Grant: \$1 billion for grants to local communities to support employment, food, housing, and healthcare efforts serving those hardest hit by the recession. Community action agencies have seen dramatic increases in requests for their assistance due to rising unemployment, housing foreclosures, and high food and fuel prices.

Community Development Block Grants: \$1 billion for community and economic development projects including housing and services for those hit hard by tough economic times.

Emergency Food and Shelter: \$200 million to help local community organizations provide food, shelter, and support services to the nation's hungry, homeless, and people in economic crisis including one-month utility payments to prevent service cut-off and one-month rent or mortgage assistance to prevent evictions or help people leave shelters. Funds are distributed by formula based on unemployment and poverty rates.

Low-Income Home Energy Assistance: \$1 billion to help low-income families pay for home heating and cooling at a time of rising energy costs.

Child Support Enforcement: \$1 billion to provide federal incentive funds for states to collect support owed to families.

Social Security Administration Disability Backlog and Claims Processing: \$500 million to help the Social Security Administration process a steep rise in disability and retirement claims, getting people their benefits faster, and preventing existing backlogs from getting worse. Within this total, \$40 million will help SSI upgrade health information technology.

Centers for Independent Living: \$200 million for state formula grants to help individuals with disabilities continue to live in their communities.

AmeriCorps Programs: \$200 million to put approximately 16,000 additional AmeriCorps members to work doing national service, meeting needs of vulnerable populations and communities during the recession.

Compassion Capital Fund: \$100 million for grants to faith- and community-based organizations to provide critical safety net services to needy individuals and families.

Department of Labor Worker Protection and Oversight: \$80 million to ensure that worker protection laws are enforced as recovery infrastructure investments are carried out.

SAVE PUBLIC SECTOR JOBS AND PROTECT VITAL SERVICES

We will provide relief to states, so they can continue to employ teachers, firefighters, and police officers and provide vital services without having to unnecessarily raise middle class taxes.

Medicaid Aid to States (FMAP): Approximately \$87 billion to states, increasing through the end of FY 2010 the share of Medicaid costs the federal government reimburses states, with additional relief tied to rates of unemployment. In the previous recession the federal government increased its contribution to Medicaid to help states avoid cuts in health benefits at a time when low-income patient loads are increasing and State revenues are declining.

State Education and Other Budget Priorities: \$120 billion to states and school districts to stabilize budgets and prevent tax increases and deep cuts to critical education programs, including:

- \$41 billion to local school districts through Title I (\$13 billion), IDEA (\$13 billion), a new School Modernization and Repair Program (\$14 billion), and the Education Technology program (\$1 billion).
- \$79 billion in state fiscal relief, including: \$39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas; \$15 billion to states as bonus grants as a reward for meeting key performance measures; and \$25 billion to states for other high priority needs such as public safety and other critical services, which may include education.

Temporary Assistance for Needy Families: \$2.5 billion for block grants to help States deal with the surge in families needing help during the recession and to prevent them from cutting work programs and services for abused and neglected children.

State and Local Law Enforcement: \$4 billion to support state and local law enforcement including \$3 billion for the Byrne Justice Assistance formula grants to support local law enforcement efforts with equipment and operating costs, and \$1 billion for the COPS hiring grant program, to hire about 13,000 new police officers for three years. The grantee is responsible for at least 25% in matching funds and must commit to use their own funds to keep the officer on board in the fourth year.

Periodic Census and Programs, Communications: \$1 billion for work necessary to ensure a successful 2010 census, including \$150 million for expanded communications and outreach programs to minimize undercounting of minority groups.

OTHER IMPORTANT POLICY PROVISION

Medicare and Medicaid Regulations: The bill extends the moratorium on Medicaid and Medicare regulations.

***E-Verify:** Extends the E-Verify authorization for 5 years as passed by the House in July 2008 (H.R. 6633) on a vote of 407-2.

***Buy America:** Mandates that iron and steel used in construction and repair projects funded under the bill be produced in the United States unless found to be prohibitively expensive.

***Davis Bacon:** Requires that federal contractors and subcontractors pay workers no less than the local prevailing wage.

***Illinois:** Prevents Governor Blagojevich from directing the use of funds provided in the package.



U.S. Senate Committee on Appropriations

PRESS RELEASE

For Immediate Release: January 23, 2009
Contact: Rob Blumenthal w/Inouye 202-224-1010
John Bray w/Inouye 202-224-3751

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 21st 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 21st 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 21st 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.

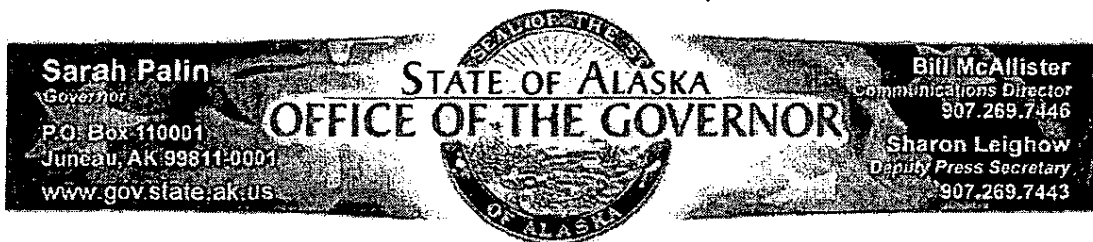
Treatment and Prevention:

- 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.



FOR IMMEDIATE RELEASE

No. 09-05

Governor Palin Notes Limits on Stimulus Package

January 12, 2009, Anchorage, Alaska - Governor Sarah Palin today emphasized that the stimulus package pending in Congress likely will be based largely on existing federal formulas for appropriations and will not be the vehicle for earmarked spending on specific projects for states.

"As I wrote to our congressional delegation on January 7, our administration recognizes that President-elect Obama and the congressional leadership of both parties favor the use of formulas to ensure fairness among the states and to avoid the earmark abuses of the past," Gov. Palin said. "We also have to be mindful about the effect of the stimulus package on the national debt and the future economic health of the country. We won't achieve long-term stability if we continue borrowing massive sums from foreign countries and remain dependent on foreign sources of oil and gas."

The governor has recommended five specific projects for the stimulus package, all of them in accordance with previous guidelines requiring that any individual spending requests must be in the national interest. Those projects are infrastructure upgrades to accommodate the natural gas pipeline, which will bring clean fuel to Lower 48 markets, and the Kodiak Launch Facility, which is important for the nation's defense. While the latest comments in D.C. suggest that no earmarks will be accepted, the governor is hopeful that the extraordinary nature of these national-interest projects will allow their inclusion.

While others have compiled wish-lists of Alaska-specific projects, many of them meritorious, the governor says the administration will not be commenting on or ranking them, given that they might not be considered for the stimulus package. "We don't want to get hopes up among community leaders that their local projects are likely to be included, when that probably won't be the case," she said.

Meanwhile, formula funds for transportation, health care and other areas, when received by the state through the stimulus package, will be subject to appropriations by the Legislature through its budget process.

President-elect Obama said last week: "We are going to ban all earmarks, the process by which individual members insert pet projects without review. ... We are going to bring a long-overdue sense of responsibility and accountability to Washington."

A spokesman for Senate Majority Harry Reid was even more blunt: "There will be no earmarks in the stimulus. Nada. Zero. zilch." House Speaker Nancy Pelosi has expressed agreement.

"It's understandable that many Alaskans want to see some local projects advanced," Gov. Palin said. "But it's pretty clear that it won't happen in this stimulus package, and we need to be realistic about that."

Recent quotes on the stimulus package:

"[O]ur goal is not to create a slew of new government programs, but a foundation for long-term economic growth. That also means an economic recovery plan that is free from earmarks and pet projects. I understand that every member of Congress has ideas about how to spend money. Many of these projects are worthy; they benefit local communities. But this emergency legislation must not be the vehicle for those aspirations. This must be a time when leaders in both parties put the urgent needs of our nation above our own narrow interests."

- *President-Elect Obama, 1/8/09; Speech on economic recovery*

"There will be no earmarks in this economic recovery plan...I know it's the Christmas season, but President-elect Obama and I are absolutely determined that this economic recovery package will not become a Christmas tree."

- *Vice President-Elect Biden; 12/24/08*

"I can pledge to you that no earmark or any of that, any description you want to make of it will be in the bill that passes the House."

- *Speaker Pelosi, 1/11/09; CNN's "Late Edition"*

"Congress should have public hearings in the appropriate committees, the text of the measure should be made available online for the American people to review for at least one week, and it should be free from special-interest earmarks. This is the taxpayers' money, and they deserve to know their hard-earned tax dollars aren't being wasted."

- *House Minority Leader Boehner; 1/5/09*

"We must also make distinctions between what is 'stimulus'—defined by Speaker Pelosi earlier this year as 'timely, targeted and temporary'—and what is merely more government spending on favored projects we don't need with money we don't have."

- *Senate Minority Leader McConnell; Press Release 12/29/08*

A copy of the governor's Jan. 7 letter is posted at the following link:
http://www.gov.state.ak.us/pdf/ESLletter_Jan12-2009.pdf

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