

HR 1, the AMERICAN RECOVERY AND REINVESTMENT ACT

DETAILED SUMMARY OF FUNDING TO HELP AMERICANS HURT THE MOST BY THE RECESSION

(if you have further questions, please contact Betsy Robblee in Congressman Larsen's Washington, D.C. office at 202-225-2605 or betsy.robblee@mail.house.gov)

Hunger

- Increases the **food stamp benefit** by 13.6% to help over 630,000 Washington state families put food on the table (\$19.9 billion over 2 years for the Supplemental Nutrition Assistance Program (SNAP), formerly Food Stamps). *663,000 people in Washington state will receive additional food stamp benefits.*
- \$500 million for the **Women, Infants and Children program (WIC)**. The WIC program provides healthy food to low-income nursing mothers and young children. Of the total amount provided, \$400 million is for the program's contingency reserve to ensure that the WIC program will have adequate funds to cover potential increased participation as a result of the recession, and \$100 million is to help state agencies implement new management information systems or improve existing management information systems for the program.
- \$150 million for the **Emergency Food Assistance Program**, which will provide food banks with commodities to stock their shelves.
- \$100 million for **senior nutrition programs** to ensure that homebound and low-income seniors have enough to eat (includes \$65 million for Congregate Nutrition Services, \$32 million for Meals On Wheels, and \$3 million for Native American nutrition services).
- \$100 million for a grant program for **School Lunch program** equipment assistance to help school districts provide nutritious meals to low-income students.

Housing

- \$4 billion for the **Public Housing Capital Fund** to assist public housing authorities in rehabilitating and retrofitting public housing units, including increasing the energy efficiency of units and making critical safety repairs. Of the funding provided, \$3 billion will be distributed to public housing authorities through existing formula and \$1 billion will be awarded through a competitive process.
 - The new process would provide funding to projects that rehabilitate units to improve energy efficiency, that increase affordable housing projects that are ready-to-go, and address the housing needs of senior citizens and persons with disabilities. Priority is given to projects that can award contracts within 120 days of receiving funds.
- \$2 billion for full-year renewals of **project-based Section 8 rental assistance contracts**.
- \$250 million for **energy-efficient renovations and retrofits of Section 202 elderly, Section 811 disabled, and project-based Section 8 units**. These funds will be administered through a competitive bid process.
- \$1 billion for the **Community Development Block Grant (CDBG) program**.

- \$2 billion for the **Neighborhood Stabilization Program** to assist states, local governments, and nonprofits in the purchase and rehabilitation of foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight.
- \$2.25 billion for capital investments in **Low Income Housing Tax Credit projects**. The funds will be distributed to state housing tax credit allocating agencies based on the formula of HUD's HOME program. The state agencies will then distribute the funds competitively to owners of projects who have received an award of low income housing tax credits. Projects awarded housing tax credits in 2007, 2008 and 2009 will be eligible for these funds.
- Allows state housing tax credit allocating agencies to elect to use a portion of its housing tax credits as grants instead of credits.
- \$510 million in **Native American Housing Block Grants**.
- \$200 million in budget authority for the **Rural Housing Insurance Fund** program account. This funding will support \$11.47 billion in Section 502 direct and guaranteed single family housing loans.
- \$1.5 billion for **Emergency Shelter Grants** to provide short term rental assistance, housing relocation, and stabilization services for families who may become homeless due to the economic crisis. *Washington state will receive \$25.1 million in additional Emergency Shelter Grants to help an additional 5,000 families find shelter.*
- Increases the **first-time homebuyer tax credit** to \$8,000 and eliminates the repayment requirement. The credit phases out at \$75,000 for individuals and \$150,000 for couples filing jointly, and applies to homes purchased prior to December 1, 2009.

Job Training

- \$2.95 billion for formula grants to states for **Workforce Investment Act (WIA) training and employment services**. Within the state formula grant programs, \$500 million is provided for services to adults, \$1.2 billion is provided for youth services through age 24, and \$1.25 billion is provided for dislocated worker services. *Washington state will receive an additional \$50.3 million for WIA training and employment services.*
 - These funds are to be allotted to states within 30 days of enactment, and are made available during program year 2008. The bill also provides the authority for local workforce investment boards to contract with institutions of higher education and other eligible training providers.
- \$200 million for the **dislocated worker assistance national reserve**, to award national emergency grants to respond to plant closings, mass layoffs, and other worker dislocations.
- \$540 million for **Vocational Rehabilitation State Grants** to help persons with disabilities prepare for gainful employment.
- \$750 million for **competitive grants for worker training and placement in high growth and emerging industry sectors**. Within this amount, \$500 million is designated for projects that prepare workers for careers in energy efficiency and renewable energy, and priority consideration for the balance of the funds shall be given to projects that prepare workers for careers in the health care sector.
- \$120 million for the **Community Service Employment for Older Americans program**, to support additional employment opportunities for low-income seniors.
- \$50 million for the **YouthBuild program** to allow for expanded services for at-risk youth.
- \$400 million for **State Unemployment Insurance and Employment Service Operations** to match unemployed residents with appropriate job openings.

- \$250 million for **Job Corps**, to support construction and modernization of a network of residential facilities serving at-risk youth and for the operational needs of the Job Corps program.
- Provides incentives to create new jobs with tax credits for hiring recently discharged unemployed veterans and youth that have been out of work and out of school for the 6 months prior to hire.

Unemployment Assistance

- **Extends unemployment benefits** to an additional 3.5 million jobless workers (continues through December 2009 the extended unemployment benefits program that provides up to 33 weeks of extended benefits that is otherwise scheduled to begin to phase out at the end of March 2009). *44,000 jobless workers in Washington state will benefit from these funds.*
- **Increases unemployment benefits** for 20 million jobless workers by \$25 per week, and encourages states to modernize their UI systems. *404,000 jobless workers in Washington state will benefit from these funds.*
- Temporarily suspends the taxation of the first \$2,400 of unemployment benefits.
- Extends **Trade Adjustment Assistance benefits** for at least 160,000 new workers over the next two years who lose their jobs because of increased imports or factory shifts to certain foreign countries.

Medicaid and COBRA

- Protects health care coverage for millions of Americans during this recession, by providing an estimated \$87 billion over the next two years in additional federal matching funds to help states maintain their **Medicaid programs** in the face of massive state budget shortfalls. To receive funding, state Medicaid eligibility levels must not be more restrictive than they were on July 1, 2008. *Washington state will receive \$2.06 billion in additional Medicaid funding.*
- In order to help laid-off workers maintain their health coverage under the **COBRA program**, the bill provides a 65% subsidy for COBRA premiums for up to 9 months.

Health Care

- \$2 billion for **Community Health Centers**, including \$1.5 billion for construction, renovation, equipment, and health IT systems and \$500 million to support new sites and service areas, increase services at existing sites, and to provide supplemental payments for spikes in uninsured populations.
- \$500 million for **health professions training programs**, including \$300 million for National Health Service Corps (NHSC) recruitment and field activities and \$200 million for the Title VII, Title VIII and primary care medicine and dentistry programs.
- \$1 billion for the **Prevention and Wellness Fund**, including \$300 million for the Section 317 immunization program and \$650 million for evidence-based clinical and community-based prevention and wellness strategies.

Social Services

- \$2 billion for the **Child Care and Development Block Grant (CCDBG)** to provide child care services to an additional 300,000 children in low-income families while their parents go to work. *Washington state will receive \$33.3 million in additional CCDBG funding.*

- \$1 billion for the **Community Services Block Grant (CSBG)**.
- \$100 million for the **Emergency Food and Shelter Program**, which helps local agencies provide flexible support to families facing crisis, including temporary help with rent and food.

Head Start

- \$2.1 billion for **Head Start**, including \$1 billion for Head Start and \$1.1 billion for Early Head Start, to provide comprehensive development services to 110,000 additional low-income infants and preschool children.

Weatherization

- \$5 billion for the **Weatherization Assistance Program** to improve the energy efficiency of more than 1 million modest-income homes through weatherization, saving families on average \$350 per year on their heating and air conditioning bills. The bill increases the eligibility of the program to 200% of the federal poverty line and increases the maximum amount allowed per residence to \$6,500.

Rural

- \$130 million in budget authority for loans and grants for **rural community facilities** (including hospitals, health clinics, health and safety vehicles and equipment, public buildings, and child and elder care facilities). This funding will support \$1.23 billion in loans and grants.

Other Tax Cuts and Benefits for Low-Income Families

- Provides immediate and sustained tax relief to 95 percent of American workers through the new **“Making Work Pay” tax cut**, a refundable tax credit of up to \$400 per worker (\$800 per couple filing jointly), phasing out completely at \$75,000 for single filers and \$150,000 for couples filing jointly. The credit is intended to provide a rebate for payroll taxes in 2009 and 2010. *2,314,000 workers in Washington state will receive a “Making Work Pay” tax cut.*
- Cuts taxes for the families of millions of children through an expansion of the **child tax credit** (allows families to begin qualifying for the child tax credit with every dollar earned over \$3,000). *471,000 children in Washington state will benefit from the expanded child tax credit.*
- Expands the **Earned Income Tax Credit** by providing tax relief to families with three or more children and increasing marriage penalty relief.
- Provides a payment of \$250 to Social Security beneficiaries, SSI recipients, and veterans receiving disability compensation and pension benefits from the VA.

Reporting Requirements for Recipients of Funds

- Governments and organizations receiving funds from the federal government must submit a report that contains the total amount of recovery funds received, the amount of funds received that were expended or obligated to projects or activities, a detailed list of all projects or activities for which recovery funds were expended or obligated (including the name of the project or activity, a description of the project or activity, an evaluation of the completion status of the project or activity, and an estimate of the number of jobs created or jobs retained

by the project or activity), and detailed information on any subcontracts or subgrants awarded by the recipient.

- Federal agencies may reasonably adjust applicable limits on administrative expenditures for federal awards to help award recipients defray the costs of the data collection requirements of the bill.