



The American Recovery and Reinvestment Act: Provisions that Promote Shared Recovery

PROGRAM	Final Legislation
Nutrition Assistance	
<p>SNAP (food stamps) Because households will spend the benefits very quickly, a SNAP increase has been judged to be the most effective boost to the economy (between \$1.73 - \$1.84 in economic growth for each \$1 spent).</p>	<p>\$20 billion, FYs 2009 – 2013. 13.6% increase in SNAP benefits probably starting in April, FY09, followed by smaller increases in subsequent years until funding phases out. More than 30 million people would benefit. Also provides \$295m in admin. funds to states to handle rising caseload, and \$5 million in administrative funding for the Food Distribution Program on Indian Reservations.</p>
<p>Senior Nutrition Programs (home-delivered and congregate meals)</p>	<p>\$100 million, of which \$65 million is for Congregate Nutrition Services, \$32 million for home-delivered meals, and \$3 million for Native American nutrition services.</p>
<p>Emergency Food and Shelter (funds homeless shelter and feeding programs; also 1-month utility or rent/mortgage payments to prevent shut-offs or evictions).</p>	<p>\$100 million; administrative costs shall not exceed 3.5 percent of total funding.</p>
<p>Women, Infants and Children nutrition (WIC)</p>	<p>\$500 million, of which \$400 million is placed in a reserve to meet rising caseload needs or costs; remainder for upgrading management information system and administrative costs.</p>
<p>National School Lunch Program</p>	<p>\$100 million for grants for equipment distributed to states, which then provide competitive grants with priority to schools in which at least half the students are eligible for free or reduced price meals.</p>
<p>The Emergency Food Assistance Program (TEFAP)</p>	<p>\$150 million for two years, of which up to \$50 million can be for costs of distributing the commodities.</p>
Aid to States	
<p>Increased federal share of Medicaid spending (FMAP) Also seen as a very effective spur to the economy, increased federal Medicaid spending prevents severe cuts in services and saves jobs.</p>	<p>\$87 billion, covering period from 10/1/08 – 12/31/10). Each state will receive 6.2 percentage point increase in their federal Medicaid funding rate; states with large increases in unemployment would see a percentage reduction in their share of Medicaid costs (a greater reduction as unemployment rises). About 65 percent of the federal funding would be provided in across-the-board and hold-harmless increases; the rest targeted to states with the highest unemployment. To qualify for increased funding, state must comply with prompt payment requirements for health care providers (including nursing facilities).</p>
<p>State Fiscal Stabilization Fund</p>	<p>\$53.6 billion to states and localities to prevent cuts in education and other services. 81.8 percent of funds to support elementary, secondary, and higher education; 18.2% for public safety and other services (may include education). \$14 million of this total is for Department of Education for administration. \$5 billion for State Incentive Grants distributed by Secretary of Education, to reward progress in equity in teaching staff across districts, improvements for English language learners and students with disabilities. Up to 0.5% of total for outlying areas. Remainder: 61% distributed based on population ages 5 through 24; 39% based on total population. Funds may be used for programs under Elementary and Secondary Education Act, Individuals with Disabilities Act, Perkins Career and Technical Education Act, as well as for school modernization, renovations consistent with green building technologies. Funds to public higher education institutions to mitigate need to raise tuition/fees as well as for renovating facilities.</p>
Tax Credits for Low-Income Families/Individuals	
<p>(Credits targeted at low-income families)</p>	

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seen as effective economic boost – refundable credits worth about \$1.22 in economic growth for every dollar spent.)	
Child Tax Credit (under current law, Credit is calculated starting at \$8,500 in earnings).	\$14.83 billion over 2 years. In 2009 and 2010, eligibility for Credit begins at \$3,000 in earnings; received as a refund even if family earns too little to have federal income tax liability (“refundable”). Parent working full-time at minimum wage (\$14,500) with 2 children would receive \$1,750 credit. Helps 13 million children compared with current earnings threshold of \$8,500; 2.9 million of those helped for the first time, remaining receive more than under current law. Provision will prevent 1 million children from falling into poverty.
Making Work Pay Credit (new)	\$116.2 billion over two years. Provides up to \$400 for an individual and \$800 for a couple; phases out for individuals starting at \$75,000 in earnings; phases out for couples starting at \$150,000.
Earned Income Tax Credit	\$4.66 billion over two years. EITC increased for families with 3 or more children; marriage penalty reduced.
American Opportunity Tax Credit	(Expansion to 4 years = \$10.256 billion over 2 years; make 40% refundable = \$3.651 billion over 2 years). Replaces Hope Scholarship Credit, for higher education. American Opportunity Tax Credit is partly (40%) refundable, paying up to \$2,500 a year for four years. Phases out starting at \$80,000 - \$90,000 for individual or \$160,000 - \$180,000 for joint filers.
Income Assistance	
Unemployment Insurance 1.9 million jobs lost in the last four months alone; 2.6 million out of work for 27 weeks or more. Very effective in boosting the economy: \$1.64 for every dollar spent, according to Mark Zandi of Moody's Economy.Com	\$40 billion over 2 years. Continues eligibility for federal Temporary Emergency Unemployment Compensation through December 31, 2009. Also Increases UI benefits (regular and extended) by \$25/week. Further, provides incentive payments to states that expand eligibility for their UI programs by counting most recent earnings of applicants, and/or providing benefits to those only seeking part-time work, those who leave work for compelling family reasons, those in an approved training program, or providing a dependent allowance.
Aid to elderly and people with disabilities	\$14.4 billion for one-time \$250 payment to recipients of Supplemental Security Income (SSI), Social Security, Railroad Retirement, and Veterans' Disability compensation or pension benefits.
Child Support: help in collecting support owed to 17 million children	\$1 billion over 2 years to restore funds for child support enforcement services to prevent loss of about \$1 billion a year to families owed support.
Temporary Assistance for Needy Families (TANF)	\$5 billion over 2 years for a new emergency fund to assist states with rising TANF caseload (providing monthly cash assistance, short-term help, or subsidized employment). Grants limited to 50% of a state's annual basic block grant for FYs 2009 and 2010. Tribes operating tribal TANF programs are eligible for the emergency fund. \$319 million to extend existing supplemental funding for states with high population growth or rise in poverty; same amount provided to qualifying states in FY10 as in FY09. States will be allowed to use TANF funds reserved from prior years for any TANF benefit, service, or activity (under current law, such funds can only be used for cash assistance).
Child Care/Early Childhood	
Child Care and Development Block Grant	\$2 billion. Will provide subsidized child care for 300,000 children in low/moderate income families. Of this amount, \$255.186 million set aside for quality improvement, of which \$93.587 million for activities to improve infant and toddler care.
Head Start	\$2.1 billion over two years, including \$1 billion for Head Start and \$1.1 billion for Early Head Start. Head Start funding distributed by current formula; Early Head Start by competitive grants. Portion of Early Head Start funds should serve regional, American Indian and Alaska Native, and Migrant and Seasonal Early Head Start populations. House had estimated serving 110,000 additional children (910,000 children now served); will create about 50,000 jobs for Head Start teachers and staff.

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Aid to Communities	
Community Services Block Grant (aid to Community Action agencies to administer such programs as Head Start, LIHEAP, housing, emergency food, etc.)	\$1 billion, to be available immediately upon enactment, to serve additional 11 million low-income individuals. One percent of funds to be reserved for benefit coordination services. Allows states to increase income eligibility ceiling to 200% of Federal poverty level (up from current 125%), for period FYs 2009-2011.
Community Development Block Grant	\$1 billion over 2 years, distributed through existing formula, to support community agencies, provide infrastructure funds for local governments, and prevent foreclosures.
Grants to Non-Profits	\$50 million for new program of capacity-building grants to non-profit organizations, to expand delivery of social services to people and communities affected by recession.
Public Housing Capital Fund (rehabilitation of public housing for low-income residents estimated to produce \$2.12 in economic return for every dollar invested)	\$4 billion, towards addressing \$18-\$20 billion backlog in public housing repairs, maintenance. \$3 billion of this total distributed through existing formula to Public Housing Authorities; \$1 billion in competitive awards for improving energy efficiency.
Native American Housing Block Grants	\$510 million to rehab and improve energy efficiency in Native American housing program units.
Retrofit Low-Income Housing (energy efficiency)	\$2.25 billion to renovate and retrofit low-income housing, of which \$2 billion is for payments to landlords participating in Project-based Section 8 housing. Remaining \$250 million for HUD-sponsored low-income housing (Housing for the Elderly, Housing for Persons with Disabilities).
Lead Hazard Control	\$100 million for competitive grants to local governments and nonprofits for lead paint removal in low-income housing.
Neighborhood Stabilization Program (to cope with foreclosure crisis: 2.3 million properties in foreclosure in 2008, up more than 80 percent over 2007)	\$2 billion for local governments and states to purchase and rehabilitate foreclosed properties (added to \$4 billion provided for this purpose in 2008). All funds must be spent within 3 years.
Homelessness Prevention Fund	\$1.5 billion distributed by formula for short-term rental assistance, housing relocation and stabilization services for families who may become homeless due to the economic crisis. Estimated to assist 300,000 households.
Weatherization Assistance Program (Under the Dept. of Energy, these funds improve energy efficiency for low-income homes. Weatherization services result in reducing heating bills by about one-third.	\$5 billion to improve energy efficiency of homes with residents whose incomes do not exceed 200 percent of the federal poverty level (up from 150% in previous law). Maximum to be spent per dwelling unit increased from \$2,500 to \$6,500. Up to 20 percent of funds may be used for training and technical assistance.
HOME program (to rehab and construct low-income housing)	\$2.25 billion, distributed by formula. HOME funds fill financing gaps caused by the credit freeze. Utilize green technologies.
Violence Against Women Prevention and Prosecution Programs	\$225 million, available through 9/30/10, of which \$175 million for STOP Violence Against Women Formula Assistance Program; \$50 million for transitional housing assistance grants.
COPS Hiring Grants	\$1 billion for grants to state, local, and tribal governments to hire law enforcement officers, through 9/30/10.
Corporation for National and Community Service	\$160 million, of which \$89 million is for additional awards to existing AmeriCorps grantees; \$65 million is for VISTA (Volunteers in Service to America), and \$6 million for salaries/admin.
Education and Job Training	
Workforce Investment Act (job training and employment services)	\$3.95 billion, of which \$2.95 billion is for formula grants to states. Formula grant funds to states include \$500 million to serve low-income adults, including recipients of public assistance, covering supportive services and needs-related payments as well as employment/training services; \$1.2 billion for youth services (up to age 24), to stimulate creation of 1 million summer jobs for youth; and \$1.25 billion to serve dislocated worker. Also, additional \$200 million for dislocated workers national reserve (national emergency grants to respond to plant closings or mass layoffs); \$50 million for YouthBuild, to allow additional 3,200 young people to be trained in construction skills and basic

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	education; \$750 million for competitive grants for worker training in emerging industry sectors, including \$500 million for jobs in energy efficiency and renewable energy.
Community Service Employment for Older Americans	\$120 million: allows nonprofits to add 24,000 participants.
State Employment Service and Reemployment Services Grants	\$400 million, to help staff cope with tremendous increase in the jobless. Of this amount, \$250 million is for reemployment services to connect jobless with employment and training opportunities. Funds to be distributed according to existing Wagner-Peyser formula.
Job Corps	\$250 million to rehab or construct Job Corps centers and for training in energy efficiency, renewable energy, and environmental protection jobs.
Title I (K-12 education for the disadvantaged, serving 50,000 schools and 20 million students)	\$13 billion: \$10 billion by Title I-A formula grants; \$3 billion by school improvement formula grants. Available in school years 2001-2010 and 2010-2011. Some of the funds to be used for early childhood education.
IDEA (Indiv. With Disabilities Education Act)	\$12.2 billion, of which \$11.3 billion is provided to school districts for K-12 special education, \$400 million to school districts for preschool special education, and \$500 million for State Grants for Infants and Families (with disabilities, birth through age 2).
Vocational Rehabilitation State Grants	\$540 million, including \$140 million for Independent Living Programs (of which \$18.2 million is for State grants; \$87.5 million for Independent Living Centers, and \$34.3 million for Services for Older Blind Individuals).
Education for Homeless Children and Youth	\$70 million for formula grants to states to assist school districts serving homeless children and youth, including meals, transportation and support services. These funds will allow at least 205,000 more homeless students to receive services.
Pell Grants for low-income college students	\$15.64 billion, to increase the maximum Pell grant by \$500, from \$4,360 to \$4,860 in 2009-2010. In addition, \$1.474 billion for mandatory portion of Pell Grants, which, combined with above funding will provide for total maximum Pell Grant of \$5,350 in 2009-2010. Expected to help 7 million students.
College Work-Study	\$200 million.
Health Care	
COBRA Health Insurance	\$24.7 billion in FYs 2009 – 2011, to provide a 9-month 65 percent subsidy to jobless people to continue the health coverage they previously held through work. Phases out for taxpayers with adjusted gross income above \$125,000 (single) or \$250,000 (joint).
Community Health Centers	\$500 million to provide care to uninsured and underserved rural and urban areas. Can be used to respond to some of 400 new applications to build or expand CHCs, all of which committed to providing care within 90 days. Also \$1.5 billion to modernize centers
Prevention (Health Care)	\$1 billion for Prevention and Wellness Fund. Within this total, \$300 million to Centers for Disease Control and Prevention for immunization program. Also included: \$50 million to reduce healthcare-associated infections, and \$650 million for evidence-based clinical and community-based prevention and wellness strategies to address chronic illnesses.
Transitional Medical Assistance	\$1.3 billion, extends program providing 12 months of eligibility for continued Medicaid benefits to low-income families gaining earned or other income through December 31, 2010.
Qualified Individual Program (QI) , which pays for Medicare Part B premiums for low-income people aged and/or with disabilities.	\$562 million to extend QI program for another year, to 12/31/10.
Moratoria on Medicaid Regulations	Extends moratoria on the following final regulations through July 1, 2009: (1) Targeted Case Management; (2) School-Based Services; (3) Provider Taxes; and (4) Outpatient Hospital Services. Also states the sense of the Congress that the Secretary of HHS should not promulgate as final the proposed regulations related to Graduate Medical Education, Cost Limit for Public Providers, and Rehabilitative Services.

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Indian Health Care	Eliminates Medicaid co-payments by American Indians and Alaska Natives, exempt certain property from inclusion in determination of resources or estate recovery and other provisions, to be permanently in effect as of July 1, 2009.

For more information, contact Deborah Weinstein, Coalition on Human Needs, dweinstein@chn.org.

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