



February 13, 2009

This afternoon, the House of Representatives adopted the Conference Report on a landmark economic recovery measure that aims to jump start the nation's struggling economy. The House approved the report on a 246-183 vote, with eight Democrats joining all House Republicans in voting against the final bill. The Senate is expected to vote on the legislation prior to the start of the week-long President's Day recess.

Supporters of the rapidly negotiated \$787.2 billion package (HR 1) are confident that the legislation will save and create millions of jobs across the country. A whopping 3.6 million American jobs have been lost since on the onset of the recession in December 2007.

The stimulus measure touches virtually every sector of the economy, ranging from \$87 billion in state Medicaid funding to tax incentives for small businesses. Included in the compromise version of the bill is a \$53.6 billion state stabilization fund, with education programs slated to capture the lion's share of the fund.

Listed below are spending levels and details for a number of programs that are funded under HR 1. The information was extracted from the final Conference Report as posted on the House Appropriations Committee's website.

Transportation & Infrastructure

- \$27.5 billion for highway and bridge construction. The Conference Report requires States to obligate at least half of highway and bridge funding within 120 days.
- \$1.5 billion for competitive grants for state and local governments for transportation investments.
- \$8.4 billion for transit-related activities, as well as \$8 billion for investment in high-speed rail.
- \$1.1 billion for airport improvement grants.

Health and Human Services

- \$87 billion over two years for increased federal Medicaid match (California is slated to receive roughly \$11 billion under the final funding formula).
- \$100 million to delay pending Medicaid regulations through June 30, 2009.
- \$1 billion in child support incentive restoration funding through September 30, 2010.
- \$3.95 billion for job training programs (adult job training, dislocated worker, youth services).
- \$20 billion for the Supplemental Nutrition Assistance Program (formerly known as Food Stamps).
- \$5 billion for states in need of Temporary Assistance for Needy Families (TANF) contingency funding.
- \$2 billion for the Child Care Development Block Grant.

- \$1 billion for the Community Services Block Grant.

Energy Efficiency Funding

- \$6.3 billion to help state and local governments make energy efficient investments, including \$3.2 billion for the Energy Efficiency and Conservation Block Grant (EECBG).
- \$5 billion for the Home Weatherization Program to help low-income families reduce their energy costs.
- \$300 million for state and local efficient trucks and buses (Diesel Emissions Reduction Act (DERA) grants).
- The Conference Report authorizes \$1.6 billion for clean renewable energy bonds to finance facilities that generate electricity from various sources. One-third of funds are directed to state and local governments.
- The Conference Report authorizes an additional \$2.4 billion of qualified energy conservation bonds to finance state, local, and tribal government programs designed to reduce greenhouse gas emissions. It also clarifies that energy conservation bonds may be issued to make loans and grants for capital expenditures to implement green community programs.

Funding for State and Local Law Enforcement

- \$2 billion in Byrne Justice Assistance Grant (JAG) funding.
- \$1 billion for the COPS hiring grant program (federal government to pay 75 percent of officer salary for first three years).
- \$225 million for Violence Against Women Prevention and Prosecution Programs.
- \$125 million for assistance to law enforcement in rural areas to prevent and combat drug-related crime.
- \$40 million in competitive grants to provide assistance and equipment to local law enforcement along the Southern border and in High-Intensity Drug Trafficking Areas (\$10 million of which goes to ATF's Project Gunrunner).

Housing and Community Development

- \$1 billion for the Community Development Block Grant (CDBG) program.
- \$4 billion for the Public Housing Capital Fund.
- \$2.25 billion for the HOME Investment Partnerships Program to help local communities build and rehabilitate low-income housing.
- \$2 billion for the Neighborhood Stabilization Program to help communities purchase and rehabilitate foreclosed, vacant properties.
- \$1.5 billion for the Emergency Shelter Grant program to provide short-term rental assistance, housing relocation, and stabilization services during the economic crisis.

Clean Water, Flood Control, Environmental Restoration

- \$19 billion in funding for clean water, flood control, and environmental restoration investments, including:
 - o Roughly \$4.6 billion for the Corps of Engineers for environmental restoration, flood protection, hydropower, and navigation infrastructure.
 - o \$4 billion for Clean Water State Revolving Fund for loans or grants to help communities upgrade wastewater treatment systems.
 - o \$2 billion for the Drinking Water State Revolving Fund for loans or grants for drinking water infrastructure.
 - o \$1.38 billion for Rural Water and Waste Disposal to support grants to help communities fund drinking water and wastewater treatment systems.

Wildland Fire Management

- \$500 million for the U.S. Forest Service for hazardous fuels reduction, forest health protection, and rehabilitation and hazard mitigation activities (funding split equally between activities on Federal lands and State/private lands).
- \$15 million for hazardous fuels reduction activities through the Bureau of Land Management.

Tax-related Provisions

- The Conference Report delays the implementation of the three percent withholding tax on government contractors by one year to December 31, 2011.
- Recovery Zone bonds: Creates a new category of tax credit bonds for investment in economic recovery zones (\$10 billion for recovery zone economic development bonds and \$15 billion for recovery zone facility bonds). Each state receives a share of the bonds based on the state's job losses in 2008, with bonds subsequently sub-allocated to local governments. Bonds can be used to invest in infrastructure, job training, education, and economic development in areas that have significant poverty, unemployment or home foreclosures.
- Municipal Bonds: The Conference Report provides for an increase in the small issuer limitation from \$10 million to \$30 million and removes private activity bonds from the alternative minimum tax.

State Fiscal Relief

- \$53.6 billion for the State Fiscal Stabilization Fund. The majority of funds are to be used to support elementary, secondary and postsecondary education, as well as early childhood education programs and services.

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