



Newsletter from Congressman Mel Watt (NC-12)

## **The American Recovery and Reinvestment Act of 2009: Overview and Information Resources**

Dear 12<sup>th</sup> District Constituent:

Congress recently passed and President Obama signed into law the American Recovery and Reinvestment Act of 2009 (ARRA). I voted for this bill because the consensus among economists, conservative and liberal, is that significant federal action is required to reverse the present course of the economy. The ARRA was crafted to bring our nation out of the gravest economic crisis since the Great Depression by cutting taxes for 95 percent of Americans and making strategic and targeted investments that will produce the greatest economic impact and represent an investment in our nation's future.

The President's Council of Economic Advisors estimates that the ARRA will create or preserve between 3 and 4 million jobs by the end of 2010 including over 100,000 jobs in North Carolina. The ARRA seeks to accomplish these tasks while providing an unprecedented level of transparency and accountability for federal dollars as they flow to states and localities. There is a substantial feeling that the \$789 billion in the bill may not have the impact that a problem of this magnitude requires. However, the recovery package is an important first step.

See below for information on how the ARRA will impact North Carolina and links to find more specific and up to date information on the ARRA as it is implemented:

### **NORTH CAROLINA**

\$225 billion of the ARRA will go to states as direct appropriations and to both state and local governments in the form of competitive grants. North Carolina will receive \$6.1 billion in direct appropriations that will be used to shore up the state's budget shortfall and expand a number of North Carolina state government programs including Medicaid, education and law enforcement. For an exact breakdown of how North Carolina will distribute this \$6.1 billion in ARRA funds go to <http://ncrecovery.gov/RecoveryPlan/NCImpact.aspx>.

It is not yet clear how much additional money North Carolina and 12<sup>th</sup> district localities will receive through the competitive grants portion of the ARRA. For updated information about additional ARRA funds coming to North Carolina and 12<sup>th</sup> District towns and cities go to [www.ncrecovery.gov](http://www.ncrecovery.gov).

See below for a broad overview of major ARRA provisions and links to find more specific and up to date information on how individual agencies will be utilizing ARRA funds. ARRA topics include:

- Benefits for Individuals;
- Benefits for Businesses;
- Education;
- Energy;
- Health Care;
- Housing;
- Job Losses;
- Science & Technology;
- Transportation & Infrastructure; and
- Veterans & Our Troops.

## **BENEFITS for INDIVIDUALS**

The ARRA provides a \$400 Making Work Pay tax credit for individuals earning less than \$75,000 per year (\$800 for married couples earning less than \$150,000 per year) and cuts taxes for millions of families by expanding eligibility for the Child Tax Credit. Also, the ARRA provides tax cuts for first-time homebuyers who purchase in 2009 and for those who purchase certain new vehicles.

For more information about ARRA tax provisions for individuals go to <http://www.irs.gov/newsroom/article/0,,id=204335,00.html>.

The ARRA provides aid to Social Security recipients by providing a one-time payment of \$250 to retirees, disabled individuals and Social Security recipients who receive benefits from the Social Security Administration and railroad retirement.

For more information about ARRA payments to Social Security recipients go to [www.ssa.gov/recovery](http://www.ssa.gov/recovery).

The ARRA includes \$20 billion for the Supplemental Nutrition Assistance (Food Stamp) Program that will be used to fund a 13.6 percent increase in maximum food stamp benefits. This increase will go into effect in April 2009 and will benefit approximately 31 million families affected by the current economic crisis.

For more information about ARRA nutrition assistance provisions go to <http://www.fns.usda.gov/snap/>.

## **BENEFITS for BUSINESSES**

The ARRA includes numerous benefits for businesses and specific assistance for small businesses. These benefits include extending bonus depreciation and small business expensing for businesses

making investments in plants and equipment and cutting capital gains taxes for investors who hold stock in small businesses for more than five years.

For more information about ARRA benefits directed towards businesses go to [www.sba.gov/recovery/](http://www.sba.gov/recovery/).

## **EDUCATION**

The ARRA includes \$77 billion in direct education funding, much of which has already reached state governments. This funding has been directed to states to help prevent education budget cuts, modernize schools, expand early childhood education and also includes funding for grants that will be distributed on a competitive basis to states that commit to pursuing higher education standards.

Additionally, the Department of Education will direct \$30.8 billion to fully fund and expand the Pell Grant program, which serves approximately seven million college students, and boost the college tuition tax credit, which will benefit nearly four million students.

For more information about how ARRA education funds will be spent and specific education programs that will be affected go to [www.ed.gov/recovery](http://www.ed.gov/recovery).

## **ENERGY**

The Department of Energy is in the process of directing \$9.5 billion in ARRA funds to states for homeowners and businesses to take immediate steps toward improved energy efficiency and for improving energy efficiency at 75 percent of federal building space. This effort represents the largest weatherization program in history.

The ARRA includes an \$11.2 billion effort to expand and develop a clean and efficient energy supply. These funds will go to accelerate the construction and development of: solar, wind and other means of renewable energy generation; clean fossil fuel technologies and the next generation of biofuels; and Smart Grid technologies and electricity transmission infrastructure needed to transport renewable energy from the places it can be produced to the places it can be used.

Additionally, the ARRA will direct \$6 billion to clean up radioactive waste. This program will create jobs and reclaim polluted lands across the country.

For more information about how ARRA energy funds will be spent and specific energy programs that will be affected go to [www.energy.gov/recovery](http://www.energy.gov/recovery).

## **HEALTH CARE**

Approximately \$44 billion of ARRA funds will go to improving and expanding health and human services and to modernizing the health care system. Specifically, ARRA health funds will speed the

adoption of health information technology which will make medical records more efficient and save billions in health care costs. Additional projects that will receive ARRA health funding include investments in healthcare research and facilities, community health centers and early childhood care and education programs.

The ARRA includes \$15 billion, much of which has already been distributed, to help states close Medicaid budget shortfalls.

For more information about ARRA funds directed towards health care programs go to [www.hhs.gov/recovery](http://www.hhs.gov/recovery).

## **HOUSING**

The Department of Housing and Urban Development (HUD) has already distributed over 75 percent of the \$13.6 billion the ARRA provided for HUD administered projects and programs . This includes \$3.5 billion for neighborhood stabilization and homelessness prevention programs that invest in the communities and families that have been most affected by the housing crisis. Also, ARRA HUD funds are going to renovate and improve energy efficiency in public housing.

An additional \$5.25 billion of ARRA funds will go to rental assistance and housing and community development programs.

For more information about ARRA HUD funds go to [www.hud.gov/recovery](http://www.hud.gov/recovery).

## **JOB LOSSES**

The ARRA includes \$3.95 billion for worker employment and training programs, youth activities and summer jobs and competitive grants for worker training and placement in high growth and emerging industry sectors.

Additional ARRA funding will go to expand the Trade Adjustment Assistance Program (TAA), which provides training, healthcare and re-employment opportunities for workers dislocated by outsourcing, funds by 160 percent. The TAA will expand to include trade-affected services sector workers and workers affected by outsourcing to all countries rather than just countries with which the United States shares a free trade agreement.

The ARRA provides for an expansion and extension of Unemployment Insurance benefits. These measures include modernizing state unemployment administrations, temporarily suspending the taxation of unemployment benefits (on the first \$2,400 of unemployment benefits) and providing funds for a 65 percent reduction in COBRA (unemployment health care coverage continuation program) premiums.

For more information about ARRA programs to help those who have lost jobs in the economic crisis go to [www.dol.gov/recovery](http://www.dol.gov/recovery).

## **SCIENCE & TECHNOLOGY**

The ARRA includes \$3 billion to be distributed by the National Science Foundation and \$4 billion to be distributed by the Department of Energy's Office of Science.

The National Science Foundation will direct funds to develop advanced scientific tools and infrastructure, award merit-based grants and support Science, Technology, Engineering and Mathematics education programs.

For more information on National Science Foundation programs that will receive ARRA funding go to [www.nsf.gov/recovery](http://www.nsf.gov/recovery).

The Department of Energy's Office of Science has received ARRA funds for the purpose of enhancing the nation's economic and energy security. ARRA funds will be directed towards: research into high energy and nuclear physics; basic chemical and materials science; nanotechnology; biological and environmental science; advanced computing; and other cutting edge fields. Additional Department of Energy programs that will receive ARRA funds include battery research and advanced vehicle technology.

For more information on the Department of Energy's Office of Science programs that will receive ARRA funding go to [www.er.doe.gov](http://www.er.doe.gov).

## **TRANSPORTATION & INFRASTRUCTURE**

The ARRA provides the largest increase in funding for transportation and infrastructure projects since the creation of the national highway system in the 1950s. The ARRA directs a total of \$64.1 billion in state and federally directed infrastructure investments to enhance the safety, security and efficiency of our highway, transit, rail, aviation, inland waterways, public buildings and maritime transportation infrastructure.

For more information about ARRA funding for general infrastructure and transportation projects go to [www.dot.gov/recovery](http://www.dot.gov/recovery).

An additional \$6 billion in ARRA funding will go to the EPA to improve water quality, drinking water and wastewater infrastructure. The EPA is also responsible for \$900 million in ARRA funding for cleanup of former industrial and commercial sites, hazardous waste cleanup at superfund sites and cleanup of leaking underground storage tanks.

For more information about ARRA funding for environmental and water infrastructure projects go to [www.epa.gov/recovery](http://www.epa.gov/recovery).

Also, the ARRA creates a new grant program that will distribute \$4.7 billion to extend broadband to underserved communities so rural and inner-city businesses can better compete in the modern economy.

For more information about ARRA funding for broadband expansion go to [www.usda.gov/rus](http://www.usda.gov/rus).

## **VETERANS AFFAIRS & SUPPORTING OUR TROOPS**

The ARRA includes provisions that will directly benefit veterans including a tax credit to businesses that hire unemployed veterans and a \$250 payment to all disabled veterans receiving benefits from the Department of Veterans Affairs (VA). Also, the ARRA includes over \$1 billion to improve and modernize the VA's disability claims process, improve and expand VA hospitals across the country and for state grants for the construction of new extended care facilities for veterans.

For more information about ARRA VA projects go to [www.va.gov/recovery](http://www.va.gov/recovery).

The ARRA includes almost \$2 billion in Department of Defense infrastructure spending that will be directed to: build new barracks and housing for military families; rebuild and renovate aging military hospitals and ambulatory care centers; build new child development centers on military bases; and new National Guard operations and training facilities construction.

Additional ARRA funds directed to the Department of Defense include \$555 million for assistance to military homeowners, including wounded warriors and surviving spouses, who have been impacted by the housing crisis.

For more information about ARRA Department of Defense projects go to [www.defenselink.mil/recovery](http://www.defenselink.mil/recovery).

I hope you find this information useful and if you have any additional questions please don't hesitate to contact my office.

Sincerely,

A handwritten signature in black ink that reads "Melvin L. Watt". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Melvin L. Watt