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H.R. 1—The American Recovery and Reinvestment Act

BY THE NUMBERS:

In millions

	H.R. 1
FY 2009-2019 Discretionary	358,200
FY 2009-2019 Mandatory	248,000
FY 2009-2019 Revenue Reductions	211,800
FY 2009-2019, Total Increase to Federal Deficit	**818,000**

Background: In February 2008, Congress enacted a $168 billion economic stimulus package. In June 2008, Congress enacted a $260 billion supplemental for war funding, domestic spending, and new entitlement spending. Democrat leaders had numerous additional spending priorities that were not included in the final versions of either of the two bills.

In late summer of last year—just four months ago—Democrats were discussing a stimulus plan of just $50 billion, 6 percent of the cost of the plan that will soon be before the House. This led on September 24, 2008 to House consideration of H.R. 7110, a $61 billion "stimulus bill."

Just three of the FY 2009 spending bills were enacted by the 110th Congress. The other nine of the FY 2009 bills have not even been brought to the House floor—and most of the discretionary spending in this bill falls under the jurisdiction of one of these nine outstanding bills.

Budget Compliance: The legislation violates the spirit of PAYGO by $459.8 billion over ten years (the amount of the tax revenue reductions and mandatory spending increases), though the legislation technically avoids any PAYGO constraints by using an emergency designation. To put this figure in perspective, prior to the current fiscal year, this is a larger amount (over ten years) than any federal deficit in U.S. history.

H.R. 1: Key Conservative Concerns

Take-Away Points

--***Won't Work.*** Many economists argue that there is no historical precedent for a stimulus spending-driven economic recovery. CATO is running an ad signed more than *200 economists* which rejects the idea that more government spending will improve economic performance. Even many liberal economists predict that if this legislation passes, the unemployment rate will remain around 8% over the next couple of years (near a 25-year high).

-- ***<u>NOT</u> a Stimulus Bill.*** 60% of the discretionary spending occurs more than 19 months from now. In addition, most of the spending in this legislation is of questionable benefit as "stimulus."

--***Unprecedented Deficit Spending.*** Even *without* this legislation, the FY 2009 federal deficit is projected to be the largest peacetime deficit in U.S. history as a percentage of GDP (8.3%).

--***Step Toward Washington-Run Health Care.*** The legislation dramatically expands spending for government-provided healthcare while establishing a board that can serve as a placeholder for Tom Daschle's goal of a Federal Health Board to regulate the U.S. health care system.

--***Phony "Tax Relief."*** Many of the so-called "tax relief" provisions in the legislation expire after two years, are intended to benefit *state and local governments,* or are actually *entitlement spending* increases.

--***Massive Expansion of Davis-Bacon.*** The legislation expands Davis-Bacon prevailing wage requirements to every project under the bill. According to the Heritage Foundation, eliminating Davis-Bacon from the bill would save taxpayers $17 billion.

--***Values Concerns.*** The legislation prevents school choice in the $79 billion State Stabilization Fund (even in the case of IDEA funding where it is currently allowed). Further, the bill allows family planning services which could be a funding source for organizations that support abortion, including Planned Parenthood.

For more details on these concerns, see below.

<u>Detailed Section on Conservative Concerns</u>: The following are some concerns that conservatives have with this legislation, based on the details summarized later in this document.

The Legislation Won't Work: Many economists argue that there is no precedent for a "borrow and spend" package leading to an economic recovery. For example, Japan attempted massive injections of stimulus spending throughout the 1990s, and built the largest national debt in the industrialized world, all with no success.

Many supporters of the legislation will cite the Great Depression as the model for "stimulus" spending leading to economic recovery. But this analogy does not work for several reasons:

- The largest federal deficit during the Great Depression was 5.9% of GDP. Not counting spending from this stimulus package, the FY 2009 deficit is already projected to be 8.3% of GDP.
- Leading up to the Great Depression, private savings was high. Leading up to the most recent crisis, private savings is low.

- Leading up to the Great Depression, the federal government ran a surplus for eleven straight years (every year from 1920 to 1930). Leading up to this most recent economic crisis, the federal government has run a deficit in 43 out of the last 48 years.
- During the Great Depression, infrastructure projects didn't face the review process that exists today. Consequently, it is simply not possible (absent dramatic changes to, among other things, environmental regulations) for infrastructure spending to work as it did in the 1930s. That is why actual infrastructure spending is such a small percentage of the $825 billion in this bill.

But there are two other problems with citing the Great Depression as a model of "stimulus" spending leading to recovery. First, the Great Depression began in 1929 and did not end until 1940. And the stock market did not return to the level of September 3, 1929 until 1954. If today's economy were to go through a similar "recovery," we would not fully escape the current recession until 2018 and the Dow would not reach its high of 2007 until sometime in 2032.

Second, many economists note that during the Great Depression the U.S. did not actually have much of an expansionary fiscal policy. To be sure, federal spending did increase, but so did federal taxes. As Tyler Cowen puts it:

> The New Deal's legacy of public works programs has given many people the impression that it was a time of expansionary fiscal policy, but that isn't quite right. Government spending went up considerably, but taxes rose, too. Under President Herbert Hoover and continuing with Roosevelt, the federal government increased income taxes, excise taxes, inheritance taxes, corporate income taxes, holding company taxes and "excess profits" taxes. When all of these tax increases are taken into account, New Deal fiscal policy didn't do much to promote recovery.

And here is what Christina Romer—President Obama's Chair of the Council of Economic Advisers— said in a 1992 paper *What Ended the Great Depression?*:

> This paper examines the role of aggregate demand stimulus in ending the Great Depression. ***A simple calculation indicates that nearly all of the observed recovery of the U.S. economy prior to 1942 was due to monetary expansion.*** Huge gold inflows in the mid- and late-1930s swelled the U.S. money stock and appear to have stimulated the economy by lowering real interest rates and encouraging investment spending and purchases of durable goods. The finding that monetary developments were crucial to the recovery implies that self-correction played little role in the growth of real output between 1933 and 1942.

Liberal economist Paul Krugman also agrees that an expansionary fiscal policy did not end the Great Depression (his argument is that World War II did):

> This may sound like a strange thing to say. After all, what we remember from the 1930s is the Works Progress Administration, which at its peak employed millions of Americans building roads, schools and dams. But the New Deal's job-creation programs, while they certainly helped, were neither big enough nor sustained enough to end the Great Depression. When the economy is deeply depressed, you have to put normal concerns about budget deficits aside; FDR never managed to do that. As a result, he was too cautious: The boost he gave the economy between 1933 and 1936 was enough to get unemployment down, but not back to pre-Depression levels. And in 1937 he let the deficit worriers get to him: Even though the economy was still weak, he let himself be talked into slashing spending while raising taxes. This led to a severe recession that undid much of the progress the economy had made to that point. It took the giant public works project known as World War II — a project that finally silenced the penny pinchers — to bring the Depression to an end.

Even many liberal economists (see for example Paul Krugman here) predict that, even if this legislation passes, unemployment will be somewhere around 8% over the next couple of years at least, which is near a 25-year high.

This is Not a "Stimulus Bill": CBO projects that 60% of the discretionary spending in this bill will occur *after* 2010 (by which point, if we still need "stimulus" spending, the recession would be entering its third year).

Further, as noted below, there are many examples of spending in this bill that most Americans would probably not consider "stimulative." And the spending in this bill that gets highlighted the most for being "stimulative," the infrastructure spending for example, is a very small percentage of the overall cost of the legislation. For example, less than 4% of the total cost of this legislation consists of highway projects.

The Legislation is an Unprecedented Expansion of the Nation's Debt Burden: The U.S. is projected to have a $1.2 billion deficit in FY 2009 even without the enactment of any stimulus legislation. As a percentage of GDP, the projected FY 2009 deficit (8.3% of GDP) is considerably larger than any deficit during the Great Depression (the highest was 5.9% of GDP in 1934). The federal debt grew by more than $2 trillion in the last two years, and may grow by another $2 trillion in 2009.

Wasteful or Non-Stimulative Spending: The bill includes spending for the following programs, some of which many conservatives have sought to eliminate or restrain for decades:

- $1.1 billion for Amtrak;
- $50 million for the National Endowment for the Arts;
- $400 million for NASA to conduct climate change research;
- $300 million for Americorps;
- $1 billion for the Census;
- $400 million for localities to buy energy efficient buses;
- $650 million for the Digital-to-Analog Converter Box Program;
- $600 million for the acquisition of energy-efficient cars for the federal government's automobile fleet;
- $7.7 billion for the Federal Buildings Fund;
- $1 billion of CDBG money and $750 million of Neighborhood Revitalization funding—ACORN would be eligible to receive funding under both; and
- Many other provisions in the bill increase funding for the federal government's overhead costs.

Davis-Bacon: The legislation extends Davis-Bacon requirements to all projects in the bill. Davis-Bacon prevailing wage requirements tend to increase the cost of federal projects.

Taxes: Of the $818 billion increase to the deficit that this legislation would cause, only 26% (or $212 billion) is attributable to revenue reductions—the other 74% is all spending increases. But conservatives may have a number of concerns with how this $212 billion tax package is structured:

- *Increased Entitlement Spending:* Much of what the authors of the legislation call "tax cuts" is actually entitlement spending increases. For example, the "Making Work Pay" Tax Credit is refundable, so JCT projects that $45.5 billion of the $145.3 billion total score for this provision is actually *an increase to entitlement spending*. The legislation also increases the refundability of the child tax credit which increases entitlement spending by $18.3 billion over ten years, and increases EITC benefits at a cost of $4.3 billion in higher mandatory spending. In all, the "tax relief" provisions in this legislation would increase mandatory spending by $82.7 billion over ten years.

- *Tax Relief Expires:* Most of the tax relief, including for example the "Making Work Pay" tax credit, expires at the end of 2010. This increases uncertainty about the future of the tax code, which many economists believe is economically harmful.
- *"Fiscal Relief for State and Local Governments":* $48.2 billion of the "tax relief" in H.R. 1 is not intended to benefit individuals or businesses, but is instead meant to aid state and local governments. For example, the only AMT provision in the bill provides protection from the AMT for *state and local governments* by making the private activity bonds tax exclusion not subject to the tax.
- *Increased Marginal Tax Rates for Some Middle Class Workers:* Many of the new tax credits in H.R. 1, most notably the "Making Work Pay" tax credit, have phase-outs of $75,000 for individuals. This is functionally a marginal tax rate increase for taxpayers that fall within the phase-out.

Steps Toward Washington-Run Health Care: This legislation includes $24.7 billion aimed at laying the groundwork towards universal healthcare. For example, the legislation includes:

- $600 million to "*prepare our country for universal healthcare*" by training primary care providers including dentists, nurses and doctors and paying medical school expenses for those who agree to participate in the National Health Service Corps.
- $3 billion for a Prevention and Wellness Fund, which will not produce significant savings according to CBO.
- $1.1 billion for the establishment of a Federal Coordinating Council for Comparative Effectiveness Research, of which $400 million will be given to the Secretary of HHS to do with as he sees fit. While the provision does not *yet* have teeth, some conservatives may be concerned that it is a place-holder for the liberals' universal health care plan, and have concerns with the following. This new health board could grant President Obama's nominee for Secretary of HHS, Tom Daschle, his wish of a *permanent government rationing board made up of bureaucrats who will prescribe care without input from patients and providers*, which he lays out in his book "Critical: What We Can Do About the Health Care Crisis":

  > The Federal Health Board wouldn't be a regulatory agency, but its recommendations would *have teeth* because all federal health programs would have to abide by them…Congress could opt to go further with the Board's recommendations. It could, for example, link the tax exclusion for health insurance to insurance that complies with the Board's recommendation.

  Some conservatives may be concerned that the Democrats' CER board is modeled after the UK's government agency, the National Institute for Health and Clinical Excellence (NICE). If a treatment is found to cost more than about $30,000-$45,000 per "quality-adjusted life-year," it is rarely covered. For example, NICE limited several Alzheimer's drugs to patients for whom the disease had advanced from early to middle-stage. Even though doctors argued that starting treatment at the onset would be most effective, NICE decided that patients would have to wait until they became sick.

The legislation would provide nearly $40 billion to expand public programs and provide government subsidies to unemployed individuals, leaving an ever shrinking portion of the population with truly private health care coverage. The legislation further substantially increases the Medicaid program, including an $87 billion FMAP increase.

Some conservatives may be concerned that these provisions mark the first skirmish in a longer-term campaign by liberals to demolish independent private-sector health care in America.

Some conservatives may also believe that the Health IT provision in Title IV place overly restrictive and burdensome regulations. Employers and providers have expressed concerns with privacy provisions that will limit their ability to exchange information, thus limiting access to quality-care, disease management, and prevention services as well as the new burden on interstate corporations who must now adhere to 50 different state attorney generals' interpretations of the law.

Some conservatives may be concerned with the indefinite extension of COBRA into an elderly population will add to the already high cost of coverage due to adverse selection creating the opposite of a stimulus effect. It could cause employees to spend more out of their wages on health care instead of in the economy and force employers to spend more time and money to administer COBRA to former employees and pay rising premiums.

Values Concerns: The legislation allows a minor to receive Medicaid assistance (including family planning and contraception) without a parent's knowledge. The bill allows federal funding of family planning services which could be a funding source for organizations that support abortion, including Planned Parenthood. Further, the bill explicitly prohibits states from using the funds under the $79 billion "State Fiscal Stabilization Fund" to help students that attend private elementary or secondary schools. This could have a direct effect on children with disabilities who attend private school through IDEA (Individuals with Disabilities Act) and would limit a parent's choice to send their child to a private school if it best suits his or her needs.

DIVISION A—Appropriations:

Title I—General Provisions

Funding Summaries:

In Thousands

	H.R. 1
Various Departments	
Inspector General Offices	210,000
GAO	25,000
Recovery.Gov Website	14,000
Title I Spending	**249,000**

Items of Notes:

Prohibition on Funds: The legislation prevents funds from being used for "any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool."

Emergency Designation: The legislation designates all spending as "emergency spending."

Creation of Accountability and Transparency Board: The legislation establishes a seven-member "Recovery Act Accountability and Transparency Board" to conduct oversight of federal spending under this bill. The board is also required to establish a "Recovery.gov" website for the legislation ostensibly for the purpose of accountability and transparency of spending in the bill. However, the legislation also requires that the website "provide materials *explaining what* *this Act means for citizens*. The materials shall be easy to understand and regularly updated." This provides the potential for the website to serve as a taxpayer-funded advertisement for this legislation

Davis-Bacon: The bill would extend Davis-Bacon prevailing wage requirements to every project that is funded in this bill.

Buy America Language: Congressman Visclosky (D-IN) offered an amendment in Committee which passed 55-0. Under the current Buy America laws, US iron or steel is required on a federal public works project unless: 1) it causes an "unreasonable cost;" 2) it is inconsistent with the public interest; 3) the iron and steel is not produced in sufficient and reasonably available quantities and of satisfactory quality; 4) it will be used outside the U.S; or 5) the procurement project is less than $2,500. While it keeps most exceptions, the Visclosky amendment could change the threshold for the cost exception in certain circumstances, making the Buy America provision more stringent.

Title II—Agriculture, Nutrition, and Rural Development

Funding Summaries:

In Thousands

	H.R. 1
Department of Agriculture	
Buildings and Facilities	253,000
FSA Information Technology	245,000
Watershed and Flood Prevention Operations	350,000
Watershed Rehabilitation Program	50,000
Rural Community Facilities Program	200,000
Rural Business Program	100,000
Rural Water and Waste Disposal Program	1,500,000
Rural Housing Service	500,000
Rural Utilities Service	2,825,000
WIC	100,000
Supplemental Nutrition Assistance Program	19,999,000
Title II Spending	**26,990,000**

Items of Note:

Food Stamps: The bill provides a 13.6% increase to the value of a food stamp recipient's benefit during FY 2009 at a cost of $20 billion (mandatory spending). This provision also sets aside $300 million for administrative expenses.

Afterschool Feeding Program for At-Risk Children: The bill expands eligibility for the program from the 8 states eligible under current law to all 50 states. This program provides meals at after-school programs.

Title III—Commerce, Justice, and Science

Funding Summaries:

In Thousands

	H.R. 1
Commerce	
Economic Development Assistance	250,000
Census	1,000,000
Telecommunications and Information Admin	350,000
Wireless and Broadband	2,825,000
Digital-to-Analog Converter Box Program	650,000
Scientific and Technical Research and Services	100,000
Manufacturing and Extension Partnership	100,000
Research Science Building Construction	300,000
NOAA	1,000,000
Justice	
Byrne Justice Assistance Grants	3,000,000
COPS	1,000,000
Science	
NASA	600,000
National Science Foundation	3,000,000
Title III Spending	**14,175,000**

Items of Note:

Census: The legislation provides $1 billion for the Census. The U.S. Constitution requires that a Census be completed every ten years. From a budgetary standpoint, Census funding is one of the more predictable obligations of the federal government, and is not normally considered "stimulus" or emergency spending.

Digital-to-Analog: The legislation provides $650 million for the digital-to-analog converter box coupon program.

NASA Global Warming Spending: Of the $600 million for NASA, $400 million is set aside for global warming research missions.

Title IV—Defense

Funding Summaries:

In Thousands

	H.R. 1
Defense	
Base infrastructure improvements	4,500,000
Energy Research	350,000
Title IV Spending	**4,850,000**

Title V—Energy and Water

<u>Funding Summaries:</u>

In Thousands

	H.R. 1
Army	
Corps of Engineers	4,500,000
Interior	
Water and Related Resources	500,000
Energy	
Energy Efficiency and Renewable Energy	18,500,000
Smart Grid Investment Program	4,500,000
Advanced Battery Loan Guarantee Program	1,000,000
Institutional Loan Guarantee Program	500,000
Renewable Energy and Transmission Loan	8,000,000
Fossil Energy	2,400,000
Science	2,000,000
Defense Environmental Cleanup	500,000
Title V Spending	**48,900,000**

<u>Items of Note:</u>

Energy Efficiency and Renewable Energy: The legislation provides a total of $18.5 billion for Energy Efficiency and Renewable Energy. That funding is divided as follows:

- *Energy Efficiency and Renewable Energy Research Development, Demonstration and Deployment Recovery funding:* The legislation provides a total of $800 million for projects related to biomass, $400 million for geothermal activities and projects, and $800 million for research and demonstrations for additional renewable energy technologies.
- *Industrial Energy Efficiency:* The legislation provides a total of $500 million to implements a waste energy recovery incentive program to encourage the recovery of industrial waste heat and recycle it into useable heat and electricity. Waste energy is heat generated in a process by way of fuel combustion or chemical reaction (boilers, kilns, large industrial machinery).
- *Grants to Institutional Entities for Energy Sustainability and Efficiency Recovery Funding:* The legislation provides $1 billion for grants to institutional entities (colleges, public schools, government buildings, and municipal utilities) to identify, design, and implement sustainable energy infrastructure projects and grants for energy efficiency innovative technologies projects on grounds and facilities of institutions.
- *Weatherization Assistance Program (WAP):* The legislation provides $6.2 billion for this program, which directs funds to states to weatherize low-income homes. Eligibility for this program is expanded by increasing the maximum income from 150 percent to 200 percent of the poverty level and the allowable level of investment per home from $3,055 to $5,000.
- *Energy Efficiency & Conservation Block Grants*: $3.5 billion for such activities as: conducting residential and commercial building energy audits; <u>*establishing financial incentive*</u> programs for energy efficiency improvements; grants to non-profits organizations to perform energy efficiency retrofits; <u>*developing/implementing programs to conserve energy used in transportation*</u>; developing and implementing building codes

and inspection services to promote building energy efficiency; installing *light emitting diodes* (LEDs); and developing, implementing, and installing on or in any government building onsite renewable energy technology that generates electricity from renewable sources.

- *State Energy Program:* $3.4 billion to provide grants to state energy offices. States must use grants to address their energy priorities and program funding to adopt emerging renewable energy and energy efficiency technologies.
- *Transportation Electrification:* $200 million to implement a grant program to states, local governments, and metropolitan transportation authorities for qualified electric transportation projects that reduce emissions, including shipside electrification of vehicles, truck stop electrification, airport ground support equipment, and cargo handling equipment.
- *Energy Efficient Appliance Rebate Program and Energy Star:* $300 million for a program intended to provide rebates for residential consumers for the purchase of residential Energy Star products to replace used appliances with more efficient models. Approximately 15 states have appliance rebate programs currently operating to incentivize the purchase of energy efficient appliances.
- *Alternative Fueled Vehicles Pilot Grant Program:* $400 million for a grant program through the DOE Clean Cities Program to encourage the use of plug-in electric drive vehicles for use by state or local governments, metro authorities, and private or non-profit entities.
- *Advanced Battery Manufacturing Cost:* The legislation provides a total of $1 Billion for awards to support the manufacturing of advanced vehicle batteries.

Smart Grid Investment Program: The legislation provides $4.5 Billion for research and development, pilot projects, and federal matching funds for the Smart Grid Investment Program to meet the goal of a modern electric grid, enhance security and reliability of energy infrastructure, and facilitate recovery from disruptions to the energy supply.

Renewable Energy and Transmission Loan Guarantee: The legislation provides $8 Billion for a new loan program to provide loan guarantees for renewable technologies and transmission technologies.

Fossil Energy: The legislation provides $2.4 Billion for the demonstration of carbon capture and sequestration (CCS) technology demonstration projects.

Science: The legislation provides $2 Billion for the Department of Energy's Office of Science, of which $400 million is provided for the Advanced Research Project Agency.

Title VI—Financial Services and General Government

Funding Summaries:

In Thousands

	H.R. 1
General Services	
Federal Buildings Fund	7,700,000
Federal Automobile Fleet	600,000
Small Business	
Small Business Capital Availability	430,000
Title VI Spending	**8,730,000**

Items of Note:

Federal Buildings Fund: The legislation provides $7.7 billion for the General Services Administration's Federal Buildings Fund, which will be used for construction and repairs to federal buildings.

Federal Automobile Fleet: The legislation provides $600 million for the General Services Administration's automobile fleet for the acquisition of plug-in or alternative fuel vehicles. The federal government already owns more than 642,000 vehicles that cost taxpayers more than $3.4 billion a year to maintain, operate, and fuel.

Title VII—Homeland Security

Funding Summaries:

In Thousands

	H.R. 1
Homeland Security	
Salaries and Expenses	100,000
Construction	150,000
Transportation Security Administration	500,000
Coast Guard	150,000
FEMA	200,000
Title VII Spending	**1,100,000**

Items of Note:

Non-Intrusive Inspection Technology (Cargo): The legislation provides $100 Million for upgrades and replacements for inadequate or nonfunctioning non-intrusive inspection technology systems at ports of entry.

Modernization of Land Ports of Entry Facilities Cost: The legislation provides $150 million to pay for new construction and repairs of Border Patrol Stations, Sector Headquarters, and Air and Marine hangars.

Aviation Explosive Detection Systems and Checkpoint Screening Technologies: The legislation provides $500 million for the deployment of advanced checkpoint screening technologies at airports.

Hazardous Bridge Alteration, Repair, and Removal Cost: The legislation provides $150 million for the removal of 12 bridges deemed to be a hazard to marine navigation by the U.S. Coast Guard.

Emergency Food and Shelter Program: The legislation provides $200 million for funds to local community organizations to support food, shelter in an economic crisis. Funds are distributed by a formula that is based on unemployment levels and poverty levels.

Title VIII—Interior and Environment

Funding Summaries:

In Thousands

	H.R. 1
Interior	
Land Management, Construction	325,000
U.S. Fish and Wildlife	300,000
National Park Service, Construction	1,700,000
National Mall Revitalization	200,000
Centennial Challenge	100,000
U.S. Geological Survey	200,000
Indian Affairs	500,000
EPA	
Hazardous Substance Superfund	800,000
Leaking Underground Storage Tank Trust Fund	200,000
State and Tribal Assistance Grants	8,400,000
Agriculture	
Forest Service	650,000
Wildland Fire Management	850,000
Health and Human Services	
Indian Health Services	550,000
Other Agencies	
Smithsonian	150,000
National Endowment for the Arts	50,000
Title VIII Spending	**14,975,000**

Items of Note:

National Mall Revitalization: The legislation provides $200 million for the revitalization of National Park Service assets on the National Mall.
Centennial Challenge Matching Grant Program: The legislation provides $100 million for this program, which was created two years ago with the goal of generating $2 billion for facility repairs and modernization of programs over a 10 year period for the National Park System Centennial in 2016. This program is matched one to one with private money.

Repair and Restoration of Science Facilities and Scientific Equipment Cost: The legislation provides $200 million for upgrades on imagery and computing capacity to aid remote sensing for Federal land management purposes.

Clean Water State Revolving Fund Cost: The legislation provides $6 Billion for the Clean Water State Revolving Fund which provides grants, distributed by statutory formula, to states and territories to capitalize their revolving loan funds which then finance publicly owned wastewater infrastructure improvements. The recovery funds will be used to environmentally treat the discharge of municipal wastewater

Drinking Water State Revolving Fund: The legislation provides $2 billion for the Drinking Water State Revolving Fund (SRF), which provides grants, distributed by formula, to states to capitalize their revolving loan funds.

Diesel Emissions Reduction Act (DERA) Grants and Loans: The legislation provides $300 million for this program, which provides grants and loans to states and local governments for projects that reduce diesel emissions.

Brownfields: The legislation provides $100 million for Brownfields competitive grants to address environmental site assessment and cleanup, 25 percent of which are mandated by law to address petroleum contamination. Funds will capitalize revolving funds and provide low-interest loans, job training grants, and technical assistance to local governments and non-profit organizations.

Title IX—Labor, Health and Human Services, and Education

Funding Summaries:

In Thousands

	H.R. 1
Labor	
Employment and Training Administration	4,000,000
Community Service Employment	120,000
State Employment Service	500,000
Departmental Management	80,000
Job Corps Centers	300,000
Health and Human Services	
Health Resources and Services	2,188,000
Centers for Disease Control, Facilities	462,000
NIH-University Research Facilities	1,500,000
NIH-Research	1,500,000
NIH-Facilities	500,000
Comparative Effectiveness Research	500,000
LIHEAP	1,000,000
Child Care and Development Block Grant	2,000,000
Head Start	1,000,000
Early Head Start	1,100,000
Community Services Block Grant	1,000,000
Compassion Capital Fund	100,000
Senior Nutrition Programs	200,000
National Coordinator for Health Info Tech	2,000,000
Public Health and Social Services Emergency	900,000
Prevention and Wellness Fund	3,000,000
Education	
Grants to Local Education Agencies	13,000,000
Impact Aid	100,000
School Improvement Program	1,000,000
McKinney-Vento Homeless Assistance	66,000
Credit Enhancement for Charter School	25,000
Teacher Incentive Fund	200,000
IDEA	13,600,000
Rehabilitation Services and Disability Research	700,000
Pell Grants	15,636,000
College Work Study	490,000
Student Aid Administration	50,000

Teacher Quality Enhancement, State Grants	100,000
Institute of Education Sciences	250,000
School Modernization, Renovation, and Repair	14,000,000
Higher Education Repair and Modernization	6,000,000
Other Agencies	
Americorps	200,000
SSA, National Computer Center	400,000
SSA, Disability Backlog	500,000
Title IX Spending	**92,321,000**

<u>Items of Note:</u>

Employment and Training Administration: The legislation provides $4 billion for the Employment and Training Administration divided as follows:

- $500 million for *adult* employment and training activities;
- $1.2 billion for grants to states for *youth* activities;
- $1 billion for grants to states for *dislocated worker* employment and training services;
- $500 million for the dislocated workers assistance national reserve;
- $50 million for Youthbuild Activities; and
- $750 million for a new program of "competitive grants for worker training and placement in high growth and emerging industry sectors."

Health Resources and Services: The legislation provides $2.19 billion for Health Resources and Services divided as follows:

- $500 million for Community Health Centers, Health Care Services;
- $1 billion for Community Health Centers renovation and repairs;
- $88 million for Public Health Service agencies; and
- $600 million for training of nurses and primary care physicians.

Of note is the Appropriations Committee Democrats' rationale for the $600 million for training nurses and primary care physicians: "A key component of attaining **universal health care reform** will be ensuring the supply of primary health care providers – family medicine, internal medicine, pediatricians, dentists, and nurses."

Federal Coordinating Council for Comparative Effectiveness Research (CER): In the legislation, the Council is composed of 15 members all of whom are federal officials/employees with responsibility for all public health-related programs. The Members are appointed by the President and are required to submit a report to the President and Congress detailing recommendations (see conservative concerns on this provision).

Social Security Administration, National Computer Center: The $400 million for this center, according to the Appropriations Committee Democrats, "is necessary to meet the growing needs of SSA for the processing of retirement and disability claims, and storage of wage and medical records. An estimated 400 jobs will be created during the construction process." That is **$1 million** per job.

Title I Grants: The legislation provides $13 billion for Title I grants to local educational agencies (LEAs) to provide supplemental education to low-achieving students in high-poverty areas attending pre-K through 12th grade. $11 billion of this money goes towards grants to states for education, and $2 billion goes towards school improvement grants.

IDEA, Part B State Grants: The legislation provides $13 billion in IDEA (Individuals with Disabilities Education Act), Part B funding (grants to states). States and LEAs must provide free public education to children who are eligible for IDEA funding.

Pell Grants: The legislation provides $15.6 billion for Pell Grants, a program for low-income undergraduate students to help offset the costs of college. For FY2008-2009, the maximum Pell Grant award is $4,731. H.R. 1 would increase the maximum Pell Grant award to $5,350 for FY2009-2010.

K-12 Repair and Modernization: The legislation provides $14 billion for this purpose. State educational agencies would distribute these funds to school districts for school facility projects. There is currently no federal program to do this because it has typically been recognized as the responsibility of state and local governments.

Higher Education Repair and Modernization: The legislation provides $6 billion for states, in proportion to each state's share of full-time equivalent undergraduate students. There is currently no federal program to do this because it has typically been recognized as the responsibility of state and local governments.

Title X—Military Construction and Veterans Affairs

Funding Summaries:

In Thousands

	H.R. 1
Defense	
Military Construction, Army	920,000
Military Construction, Navy and Marines	350,000
Military Construction, Air Force	280,000
Military Construction, Defense-Wide	3,750,000
Military Construction, Army National Guard	140,000
Military Construction, Air National Guard	70,000
Military Construction, Army Reserve	100,000
Military Construction, Navy Reserve	30,000
Military Construction, Air Reserve	60,000
BRAC	300,000
Veterans Affairs	
Medical Facilities	950,000
National Cemetery Administration	50,000
Title X Spending	**7,000,000**

Title XI—Department of State

Funding Summaries:

In Thousands

	H.R. 1
State	
Capital Investment Fund	276,000
Water Quantity Program	224,000
Title XI Spending	**500,000**

Items of Note:

Water Quantity Program: $224 million for, according to the Appropriations Committee Democrats, the "immediate repair and rehabilitation requirements in the water quantity program, which will upgrade 506 miles of flood control levees and will create approximately 240 jobs in the United States." That is **$933,000** per job.

Title XII—Transportation and HUD

Funding Summaries:

In Thousands

	H.R. 1
Transportation	
Grants-in-Aid for Airports	3,000,000
Highway Infrastructure Investment	30,000,000
Amtrak	1,100,000
Transit Capital Assistance	6,000,000
Fixed Guideway Infrastructure Investment	2,000,000
Capital Investment Grants	1,000,000
Housing	
Public Housing Capital Fund	5,000,000
Section 8 Housing	2,500,000
Native American Housing Block Grants	500,000
Community Development Block Grants	1,000,000
Neighborhood Stabilization Program	4,190,000
HOME Program	1,500,000
SHOP Program	10,000
Homeless Assistance Grants	1,500,000
Lead Hazard Reduction	100,000
Title XII Spending	**59,450,000**

Items of Note:

Amtrak: The legislation provides a total of $1.1 billion in Amtrak funding. Since 1970, federal subsidies to Amtrak have totaled more than $30 billion. Amtrak runs a deficit of more than $1 billion a year. According to Dr. Utt of the Heritage Foundation, Amtrak only filled 48.9% of its seats in FY 2007.

Highway Infrastructure Investment: The legislation provides $30 billion for the Federal Highway Administration. One of the most noted justifications put forward for having a "stimulus" bill of this magnitude was to provide money for highway projects. Yet, this spending—even at $30 billion—is only 3.7% of the total $818 billion bill.

Title XIII—State Fiscal Stabilization Fund

<u>Funding Summaries:</u>

In Thousands

	H.R. 1
Education	
State Fiscal Stabilization Fund	79,000,000
Title XIII Spending	**79,000,000**

<u>Items of Note:</u>

State Fiscal Stabilization Fund: The legislation provides $79 billion ($39.5 billion through FY 10, and $39.5 billion through FY 11—none of the funding is available until July 1, 2009) for a State Fiscal Stabilization Fund, to be allocated to the states 61% based on school-age population and 39% based on the state's total population. States are required to use the money as follows:

- First, the state is required to use the money to maintain funding for elementary, secondary, and support of public higher education at FY 2008 levels;
- Second, the state is required to provide money left over, up to at least 61% of the total funding given to the state under the program, to school districts; and
- Third, state's have wide discretion on how to spend the final 39% of funding.

School Choice: Section 13011 forbids states from using any of the funds for school choice. The legislation states: "no recipient of funds under this title shall use such funds to provide financial assistance to students to attend private elementary or secondary schools." Under IDEA, parents may send their children to private schools if that is where the students' needs are met. This provision will affect the choice of those parents.

DIVISION B—Tax and Other Provisions

Title I—Tax Provisions

"Making Work Pay" Tax Credit: The legislation creates a temporary "Making Work Pay" tax credit. This credit would be worth the lesser of 6.2% of an individual's earned income or $500 for an individual, or $1,000 on a joint return. The value of the credit is phased out beginning with individuals with incomes of $75,000 and joint filers with incomes of $150,000 (functionally a marginal tax rate increase on individuals earning more than $75,000). This tax credit is effective for 2009 and 2010 only (i.e. it expires at the end of 2010). *The "Making Work Pay" Tax Credit is estimated to reduce revenues by $99.8 billion over ten years, and to increase entitlement spending by $45.5 billion over ten years (because it is refundable).*

Earned Income Tax Credit: The legislation temporarily increases the value of the Earned Income Tax Credit in two respects:

- Under current law, the value of the earned income tax credit for families with two or more children is equal to 40% of a qualifying family's first $12,570 of earned income. H.R. 1 would increase this to 45% of the first $12,570 of earned income for families with three or more children.
- Under current law, the earned income tax credit begins to phase out at $19,540 for married couples filing jointly. This legislation would increase the phase out for married couples to $21,420, an increase of $1,880.

Both changes to the Earned Income Tax Credit would be effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $381 million over ten years, and to increase entitlement spending by $4.3 billion over ten years.*

Child Tax Credit Refundability: Under current law, the child tax credit is refundable up to 15% of the taxpayer's earned income in excess of $8,500. This legislation would make the child tax credit refundable at 15% of the taxpayer's earned income in excess of $0.00. *This provision is estimated to <u>increase mandatory spending</u> by $18.3 billion over ten years. <u>Note:</u> This does not score as tax relief.*

American Opportunity Tax Credit: Creates an American Opportunity Tax Credit of up to $2,500 for the cost of tuition and related expenses. The credit would work as follows:

- 100% tax credit up to the first $2,000 of tuition and related expenses;
- 25% tax credit up of the next $2,000 of tuition and related expenses;
- 40% of the tax credit would be refundable; and
- The tax credit would have a phase-out of $80,000 for individuals and $160,000 for joint filers (functionally a marginal tax rate increase on taxpayers earning more than these amounts).

The provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $10.3 billion over ten years, and to increase mandatory spending by $3.5 billion over ten years.*

Waiver of Requirement to Repay First-Time Home Buyer Credit: This provision waives the requirement, in the case of homes purchased between April 9, 2008 and July 1, 2009, that a taxpayer receiving this tax credit pay back the amount of the credit to the Treasury over 15 years (in equal installments). *This provision is estimated to reduce revenues by $2.6 billion over ten years.*

Extension of Bonus Depreciation: Businesses were able to immediately write-off fifty percent of the cost of depreciable property acquired in 2008. The bill would extend the provision to 2009. *This provision is estimated to reduce revenues by $5.1 billion over ten years.*

The RSC's Economic Recovery and Middle-Class Tax Relief Act (H.R. 470) would provide immediate, full expensing for all businesses.

Extension of Enhanced Small Business Expensing: In 2008, small businesses were able to write-off up to $250,000 in capital expenditures at a phase-out threshold of $800,000. H.R. 1 would extend this provision to 2009. *This provision is estimated to reduce revenues by $41 million over ten years.*

The RSC's Economic Recovery and Middle-Class Tax Relief Act (H.R. 470) would provide immediate, full expensing for all businesses.

5-year Carryback of Net Operating Losses: A business incurs a net operating loss when its tax liability is negative in a given year. Under current law, there is a two-year carryback period for businesses to receive refunds on previously paid taxes. In other words, a business may receive a refund equal to their negative tax liability up to the amount of taxes paid over the previous two years. This legislation would extend this period from two years to five years, but only apply for 2008 and 2009 net operating losses. This tax cut would not apply for business that received TARP funding. *This provision is estimated to reduce revenues by $17.1 billion over ten years.*

The RSC's Economic Recovery and Middle-Class Tax Relief Act (H.R. 470) would provide *permanent* (instead of just for 2008 and 2009) *7-year* (instead of 5-year) carryback of net operating losses.

Incentives to Hire Unemployed Veterans and Disconnected Youth: The legislation would add unemployed veterans (defined as a Member of the Armed Services discharged in 2008, 2009, or 2010 who received unemployment compensation for more than four weeks before being hired) and "disconnected youth" (defined as an individual between 16 and 25 who has not been regularly employed or attended school in the past 6 months) to the nine existing targeted groups that qualify under the work opportunity tax credit. Of note, the bill requires an unemployed veteran to receive unemployment compensation for at least four weeks in order for that individual's potential employer to receive the work opportunity tax credit. The provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $208 million over ten years.*

Tax Increase—Repeal of Treasury Section 382 Notice: The legislation repeals the Treasury Department's Section 382 Notice, *which, according to the Ways and Means Committee Democrats, is a tax increase of $7 billion over ten years.*

Treatment of Tax-Exempt Bonds Held by Financial Institutions: The legislation would allow financial institutions' to take a tax deduction for interest expenses on tax-exempt bonds, where the total investment in such bonds amounts to less than 2% of the total assets held by the financial institution. This provision is intended to make investment in municipal bonds more attractive. The provision is effective for 2009 and 2010 only.

Small Issuer Exception to Tax-Exempt Interest Expense Allocation Rules: This provision would allow financial institution's to take a tax deduction for interest expenses on tax-exempt bonds if the issuer is a "qualified small issuer," defined as an issuer that anticipates that the amount of its tax exempt bonds will not exceed $30 million. Under current law, the interest expense disallowance rule applies up to $10 million. The provision is effective for 2009 and 2010 only. *This tax provision and the above provision combined are estimated to reduce revenues by $3.2 billion over ten years.*

Application of AMT to State and Local Governments: Under current law, interest on tax-exempt private activity bonds is subject to the AMT. This provision would exclude all private activity bonds from the AMT. The provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $481 million over ten years.*

The RSC's Economic Recovery and Middle-Class Tax Relief Act (H.R. 470) would *permanently* and *entirely* repeal the AMT. By contrast, the only AMT relief provision in this legislation is intended to provide AMT relief to <u>*state and local governments*</u>.

Qualified School Construction Bonds: The bill creates a new category of tax credit bonds for the construction, rehabilitation, or repair of public school facilities and places a national limit of $11 billion in 2009 and $11 billion in 2010 that may be used by state and local governments. A national limit of $400 million (equally divided between 2009 and 2010) applies to Indian tribal governments. *This provision is estimated to reduce revenues by $9 billion over ten years.*

Qualified Zone Academy Bonds: The bill would allow an additional $1.4 billion of Qualified Zone Academy Bonds to be issued by state and local governments. A qualified zone academy is a public school located in an empowerment zone that or enterprise community that cooperates with business on the academic curriculum with the goal of increasing graduation and employment rates. This provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $1 billion over ten years.*

Taxable Bond Option for State and Local Governments: The legislation allows state and local governments the option of issuing tax credit bonds, and allows states to elect to receive a direct payment from the federal government equal to the tax benefit that the state would otherwise receive from issuing these bonds. This provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $14.8 billion over ten years, and to increase entitlement spending by $3.4 billion over ten years.*

Recovery Zone Bonds: The legislation creates tax credit bonds for investment in economic recovery zones with a national limit of $10 billion for recovery zone economic development bonds and $15 billion for recovery zone economic development bonds. This provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $2.6 billion over ten years, and to increase entitlement spending by $2.3 billion over ten years.*

Tribal Economic Development Bonds: The legislation allows tribal governments to issue $2 billion in tax-exempt bonds without the "essential government function" requirement imposed in current law. *This provision is estimated to reduce revenues by $315 million over ten years*.

Repeal of Withholding Tax on Government Contractors: The legislation repeals the three percent withholding tax on government contractors that under current law is effective after December 31, 2010. *This provision is estimated to reduce revenues by $11 billion over ten years.*

Renewable Energy Production Tax Credit: The bill extends the renewable energy tax credit for wind facilities through 2012 (a three-year extension). The bill extends the tax credit for closed-loop biomass, open-loop biomass, geothermal, small irrigation, hydropower, landfill gas, waste-to-energy, and marine renewable facilities through 2013 (a three year extension). *This provision is estimated to reduce revenues by $13.1 billion over ten years.*

Election of Investment Tax Credit in Lieu of Production Tax Credit: Under current law, facilities that produce electricity from solar facilities can take a 30% investment tax credit in the year that the facility is placed in service. A production tax credit, payable over a ten year period, is available for other energy sources (such as wind hydropower, geothermal, etc.). This provision allows the same 30% investment tax credit available to solar energy to be available as an option (in lieu of the production tax credit) for these other energy sources as well. This provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $218 million over ten years.*

Repeal of Certain Limitations on Credit for Renewable Energy Property: The legislation allows a business or individual to qualify for the full amount of the investment tax credit even if the property is financed with industrial bonds or other tax-advantaged financing (which under current law reduces the value of the investment tax credit).

Uncapped Energy Tax Credits: The legislation eliminates the caps under current law on the value of energy tax credits that small businesses may claim. Specifically, the $4,000 cap on qualified small wind energy property, the $2,000 cap on qualified solar water heating property, the $2,000 cap on geothermal heat pumps, etc., would be repealed. *This provision, combined with the proposal above, are estimated to reduce revenues by $604 million over ten years.*

Clean Renewable Energy Bonds: The legislation increases the national limitation on clean renewable energy bonds by $1.6 billion. *This provision is estimated to reduce revenues by $578 million over ten years.*

Qualified Energy Conservation Bonds: The bill increases the national limitation on Qualified Energy Conservation Bonds by $2.4 billion. *This provision is estimated to reduce revenues by $803 million over ten years.*

Tax Credits for Energy-Efficient Improvements to Homes: The legislation increases the value of the 10% tax credit for qualified energy efficient improvements to 30% and places a total limit on the tax credit of $1,500. The bill also extends this tax credit through 2010 (it is currently scheduled to expire at the end of 2009). *This provision is estimated to reduce revenues by $4.3 billion over ten years.*

Tax Credits for Alternative Fuel Pumps: The legislation increases the tax credit for gas stations (or other businesses) with alternative fuel pumps (such as E85 or natural gas) from 30% to 50% and increases the cap from $30,000 to $50,000. Hydrogen refueling pumps would keep the 30% tax credit but have the cap increased to $200,000. The bill also increases the 30% alternative refueling property tax credit for individuals from 30% to 50% and increases the cap from $1,000 to $2,000. This provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $54 million over ten years.*

R and D Tax Credit: The legislation increases the value of the research and development tax credit by 20% for "fuel cells and battery technology, renewable energy, energy conservation technology, efficient transmission and distribution of electricity, and carbon capture sequestration. This provision is effective for 2009 and 2010 only. *This provision is estimated to reduce revenues by $18 million over ten years.*

The RSC's Economic Recovery and Middle-Class Tax Relief Act (H.R. 470) would make the expiring Research and Development Tax Credit permanent.

Title II—Unemployment Compensation

Unemployment Benefits: H.R. 1 extends unemployment benefits through December 31, 2009, increases the weekly benefit for beneficiaries by $25, and provides $7.5 billion worth of incentive payments for states to extend unemployment insurance beyond current recipients. *This provision is estimated to increase entitlement spending by $38 billion over ten years.*

Supplemental Security Income: H.R. 1 provides one-time payments to individuals whose SSI benefit ended within the last two months because their income exceeded the allowable limit. *This provision is estimated to increase entitlement spending by $4.1 billion over ten years.*

Emergency Fund for TANF: The legislation establishes an "Emergency Contingency Fund for State Temporary Assistance for Needy Families Programs" to provide states with money to make up for a portion of a state's higher spending on TANF benefits in 2009 and 2010 as compared to 2007 and 2008. *This provision is estimated to increase entitlement spending by $2.3 billion over ten years.*

Title III—COBRA Benefits/Medicaid

100% FMAP: The legislation provides a 100% FMAP (Federal Medical Assistance Percentages) for states that provide Medicaid coverage to voluntarily unemployed individuals and their dependents whose income is no higher than 200% of the federal poverty limit or who are receiving food stamps. This provisions is effective through 2010.

COBRA Premiums: The legislation would provide $30.3 billion to extend COBRA to the uninsured beyond the 18 months currently permitted in law:

- *Permanent Extension:* The legislation indefinitely extends COBRA to cover individuals 55 and over who have worked for an employer for 10 + years until they become Medicare eligible or secure coverage through a subsequent employer.
- *Temporary Extension and Subsidy:* The legislation provides a 65% subsidy for the first 12 months of COBRA coverage for any individual who lost their job on or after September 1, 2008 – December 31, 2008.

Child Support: H.R. 1 would suspend section 7309 of the Deficit Reduction Act of 2005 for FY 09 and 10, which would cause the federal government to match state expenditures on child-support incentive payments. *This provision is estimated to cost $1 billion over ten years.*

Title III would increase entitlement spending by $13.3 billion over ten years, and reduce federal revenues by $27.8 billion over ten years.

Title IV—Health IT

National Coordinator of Health IT: The legislation would provide $20 billion to promote and implement the adoption of health records through codifying the Office of the National Coordinator of Health IT, who will be responsible for creating a national system and standards by 2010. The National Coordinator will make health records available for a fee if needs are not already *substantially* met by the marketplace.

Medicare/Medicaid Incentives: Under the legislation, providers and hospitals will be paid for showing meaningful use of Health IT. *However, not all are hospitals are eligible for payments.*

Privacy: The legislation expands HIPPA to "business associates" of "covered entities" (providers) requiring patient consent any time information is exchanged, and allows state attorney generals to bring a civil action as a means of enforcing HIPPA Privacy Rule.

Title V—Medicaid Provisions

Medicaid Aid to States (FMAP): The legislation would provide $87 billion to states, increasing through the end of FY 2010 the share of Medicaid costs the Federal government reimburses all states by 4.9%, with additional relief tied to rates of unemployment.

Medicare and Medicaid Regulations: The legislation extends the moratorium on Medicaid and Medicare regulations through October 1, 2009. This includes the 6 CMS regulations blocked by HR 5613: cost limits on public providers (intergovernmental transfers), Graduate Medical Education (GME) payments, provider taxes, rehab services, targeted case management services and school administration and transportation services. It also blocks an additional seventh regulation, not included in H.R. 5613, that narrows the definition of patient hospital services.

FMAP: The legislation increases the FMAP for all states and DC by 4.9% between October 1, 2008 and December 31, 2010 (currently the average FMAP for states is 57%). H.R. 1 would also increase Medicaid allotments for territories by 20%.

Lessens Parental Control: The legislation allows minors to receive Medicaid benefits (including family planning and contraceptive services) without parental knowledge that the child applied for Medicaid.

Family Planning/Contraceptive Funding: The legislation expands contraception and family planning coverage to women who would not otherwise be eligible for Medicaid. Income of spouse or parents would not be taken into consideration as it is under current law. Additionally, under current law, states must receive a waiver to cover low income women who are not eligible for Medicaid. This waiver has been removed. Contraception currently receives $1.6 billion in federal funding. Abstinence receives only $176 million. The legislation expands federal funding of family planning services which could be a funding source for organizations that support abortion, including Planned Parenthood.

Abstinence Funding: The legislation extends the Transitional Medical Assistance (TMA) program which contains funding for family planning, without extending the Title V abstinence education program. The two programs have historically been extended together. This is a clear sign that the legislation aims to kill abstinence programs in Title V. *Overall, Title V is estimated to increase entitlement spending by $88 billion over ten years.*

Title VI—Broadband

Inventory of Broadband Service: The legislation requires a two-year inventory of broadband exposure throughout the United State to determine the geographic extent to which broadband service capability is deployed and available from either the private or public provider.

Wireless and Broadband Deployment Programs: The legislation establishes a grant program administered by the National Telecommunications Information Administration (NTIA) with 25% of grants focused on providing eligible entities with "basic" broadband service to underserved areas and 75% for providing "advanced" broadband service to eligible entitles.

National Broadband Plan: The legislation requires the FCC to report to Congress one year after the effective date to establish bench marks for affordable nationwide broadband service and use in consumer welfare, civic participation, public safety and homeland security, community development, health care delivery, energy independence and efficiency, education, worker training, private sector investment, entrepreneurial activity, job creation and economic growth, and other national purposes.

Title VII – Energy

Renewable Energy and Electric Power Transmission Loan Guarantee Program: Amends the 2005 Energy Policy Act by prioritizing renewable fuels commercial technology projects for electric power transmission projects, and authorizes $500 Million for these projects.

Weatherization Assistance Program Amendments: The legislation raises eligibility to participate in program from 150% to 200% of federal poverty limit and increases the maximum allowance from $2,500 to $5,000.

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