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American Recovery and Reinvestment Act (H.R. 1)

Investing in Education for the 21st Century

Modernizing Our Schools and Colleges

- Provides \$20 billion for school modernization, including \$14 billion for K-12 schools and \$6 billion for higher education institutions.
- The \$14 billion for K-12 school modernization is sufficient to renovate and modernize classrooms, libraries, and labs in elementary and secondary schools in more than 13,000 school districts, which includes building state-of-the-art classrooms to improve the learning environment for at least 7 million students and their teachers.
- Similarly, the \$6 billion for higher education will be used to renovate and modernize classrooms and buildings at hundreds of colleges and universities across the country.
- Among the various possible uses of these funds include making schools and colleges more energy efficient and providing educational technology infrastructure upgrades.
- Also provides \$1 billion for Educational Technology State Grants, which are used to integrate technology into curricula in order to improve teaching and learning.

Making College More Affordable as Working Families Are Struggling

- In this recession, tens of millions of students are losing the opportunity to go to college, with their families struggling – and this package includes key steps to keep the doors of college open to these students.
- Improves current higher education tax credits, by creating a new “American Opportunity” tax credit with a maximum of \$2,500 rather than the current maximum of \$1,800 -- thereby making college more affordable for millions of low- and moderate-income students.
- Also provides this new “American Opportunity” tax credit to nearly 4 million low-income students who had not had any access to higher education tax credits in the past – by making it partially refundable. As a result, the nearly one-fifth of high school seniors who receive no tax credit under the current system will receive a tax cut to make college affordable for the first time.
- Makes college more affordable for 7 million students by increasing the maximum Pell Grant by \$500, for a maximum of \$5,350 in 2009 and \$5,550 in 2010, and also funding the shortfall in the program.
- Adds \$490 million to the vital College Work-Study program that supports undergraduate and graduate students who work, allowing an additional 200,000 students to participate.
- Also makes college more affordable by increasing the limit on unsubsidized Stafford loans by \$2,000.
- As the National Association of Independent Colleges and Universities has stated, “Together these proposals mean that low-income students and families on the brink of stopping or dropping out of their higher education plans can stay in, and that unemployed workers can choose retraining for a new job.”

Investing in Early Childhood Development

- Provides \$2.1 billion for Head Start, which provides comprehensive development services to low-income preschool children – thereby providing services for 110,000 additional children. The \$2.1 billion in additional funds includes \$1 billion for the vital Early Head Start infant and toddler program.
- Research has shown that Head Start works and is a good investment for taxpayers – saving society money in the long-term. Studies have shown that Head Start is one of the best ways to improve child well-being, increase the educational achievement and future productivity of children, and reduce crime.
- Provides \$2 billion for the Child Care Development Block Grant to provide child care services to an additional 300,000 children in low-income families while their parents go to work. Today, only one out of every seven eligible children receives care.
- Provides \$600 million for IDEA Infants and Families, which provides grants to states to assist them in making early intervention services available to children with disabilities age 2 and younger and their families. These early intervention services are also a good investment for U.S. taxpayers.

Preventing Teacher Layoffs and Education Cuts by the States

- Prevents teacher layoffs and other cutbacks in education and other key services, by establishing a \$79 billion State Fiscal Stabilization Fund, including \$39 billion to local school districts and public colleges and universities using existing funding formulas; \$15 billion to states as bonus grants for meeting key performance measures in education; and \$25 billion to states to meet needs and prevent layoffs in high-priority areas such as public safety and other general services, many of which include education.
- This funding is vitally needed because states are facing an unprecedented, massive fiscal crisis. Total budget gaps for the states for FY 2009 (generally running from 7/1/08 through 6/30/09) are about \$91 billion -- \$48 billion in gaps before state budgets were adopted last summer, which were closed by cutting services or raising revenues; and \$43 billion in gaps which have opened up since then.
- Budget deficits are also already projected for 39 states for the upcoming FY 2010. Initial estimates of these shortfalls total over \$80 billion. As the full extent of FY 2010 deficits become known, state shortfalls are likely to equal \$145 billion.
- In recent months, 29 states have implemented cuts in education due to budget shortfalls – for example, Georgia has cut aid to school districts by \$95 per pupil; the University of Florida has eliminated 430 faculty and staff positions; and the University of Kentucky is raising its tuition 9 percent.
- Unless the recovery package is enacted, school districts across the country will have to enact further cuts. There are newspaper stories from across the country. “As many as 2,300 teachers could face midyear layoffs because of the state budget crisis, Los Angeles Unified School District officials said.” (Los Angeles Times, 1/7/09) “Local school officials are preparing for drastic budget cuts...Most Marion and Polk County school districts are considering shortening the school year, asking staff to take salary cuts, or eliminating programs.” (Statesman Journal – Oregon, 1/21/09)
- Slashing education services undermines future economic growth in a state. This recovery package, by preventing these cutbacks, will enhance future economic growth.

Providing Other Key Education Investments

- Provides \$13 billion for Title I grants to help disadvantaged kids reach high academic standards – ensuring that in this period of tight state and local budgets these vital services are maintained.
- Provides \$13 billion for grants for IDEA (Special Education) to increase the federal share of these costs to a record 27 percent, and prevent these mandatory costs from forcing states to cut other areas of education.
- Provides \$300 million for improving teacher quality, including \$200 million for competitive grants to school districts and states to provide financial incentives for teachers and principals who raise student achievement and close the achievement gaps in high-need schools and \$100 million for competitive grants to states to address teacher shortages and modernize the teaching workforce.

Clean, Efficient, American Energy

Smart Grid /Advanced Battery Technology/Energy Efficiency (\$32 billion)

- Transforms the nation's electricity systems through the Smart Grid Investment Program to modernize the electricity grid to make it more efficient and reliable. This will jumpstart smart grid demonstration projects in geographically diverse areas, increase federal matching grants for smart grid technology (20% to 50%) including "Smart Meters" that give consumer more choice in their energy consumption at home, and spur research and development. Build new power lines that can transmit clean, renewable energy from sources throughout the nation.
- Creates temporary loan guarantees for up to \$80 billion for renewable energy power generation and electric transmission projects that begin in the next two years. These would help ease credit constraints for renewable energy investors and spur new private sector investment over the next three years.
- Supports U.S. development of advanced vehicle batteries and battery systems through loans and grants so that America can lead the world in transforming the way automobiles are powered. Also includes other initiatives to promote the use of alternative fuel vehicles by federal state and local governments.
- Helps state and local governments make investments for innovative best practices to achieve greater energy efficiency and reduce energy usage, including building and home energy conservation programs, energy audits, fuel conservation programs, building retrofits, and "Smart Growth" planning and zoning. Also encourages states to adopt updated energy-efficient building codes and regulatory policies to encourage utility-sponsored gains in energy efficiency.
- Spurs energy efficiency and renewable energy research, development, demonstration, and deployment activities at universities, companies, and national laboratories to foster energy independence, reduce carbon emissions, and cut utility bills.
- Provides consumer rebates to buy energy efficient appliances to replace old ones to lower energy bills.
- Makes key investments in carbon capture and sequestration technology demonstration projects to work toward making coal part of the solution and reducing the amount of carbon dioxide emitted from industrial facilities and fossil fuel power plants.

Tax Incentives to Spur Energy Savings and Green Jobs (\$20 billion over 10 years)

- Three-year extension of the production tax credit (PTC) for electricity derived from wind (through 2012) and for electricity derived from biomass, geothermal, hydropower, landfill gas, waste-to-energy and marine facilities (through 2013). Also permits businesses that place new renewable energy facilities in service during 2009 and 2010 to claim either a 30 percent investment tax credit (ITC) instead of the production tax credit, or apply for a grant of up to 30 percent of the cost of building a new renewable energy facility from the Energy Department. These provisions will help speed up investment in new facilities and will address current renewable energy credit market concerns.
- Promotes energy-efficient investments in homes by extending and expanding tax credits through 2010 for purchases such as new furnaces, energy-efficient windows and doors, or insulation. Increases the credit from 10 percent to 30 percent of the cost of the investment and raises the credit cap from \$500 to \$1,500, helping American families save money on their energy bills.
- Includes clean renewable energy bonds for State and local governments, electric cooperatives and public power to finance facilities that generate electricity from renewable resources and qualified energy conservation bonds for State and local governments to make a variety of energy conservation investments.
- Establishes an enhanced R&D tax credit for research expenditures in the fields of fuel cells, battery technology, renewable energy, energy conservation technology, efficient transmission and distribution of electricity, and carbon capture and sequestration, in 2009 and 2010.
- Increases incentives to install pumps that dispense alternative fuels including E85, biodiesel, hydrogen, and natural gas.

Repair Public Housing and Make Key Energy Efficiency Retrofits to HUD-Assisted Housing (\$7.5 Billion)

- Establishes a new program to upgrade HUD sponsored low-income housing (elderly, disable and Section 8) to increase energy efficiency, including new insulation, windows, and furnaces.
- Invests in energy efficiency upgrades in public housing, including new windows, furnaces, and insulation to improve living conditions for residents and lower the cost of operating these facilities.

Landmark Energy Savings at Home (\$6.2 billion)

- Landmark provisions to improve the energy efficiency for more than 1 million modest-income homes through weatherization, expanding the number of families (from 150% to 200% of the federal poverty income levels) and the aid level (from \$2,500 to \$5,000 per household) to keep up with the rising prices of these upgrades;
- This will save modest-income families on average \$350 per year on their heating and air conditioning bills.

Green Job Training and Energy Efficient Schools

- Provides \$500 million to train workers for green-collar jobs.
- Creates new modernization, renovation, and repair programs for schools and colleges, with a minimum of 25 percent of the funds focused on green building projects.
- Energy sustainability and efficiency grants and loans to help school districts, colleges, local governments, and some hospitals become more energy efficient.

Modernizing Federal and Public Infrastructure to Lower Energy Costs

- Makes an historic investment in upgrading federal buildings and making them energy efficient -- as part of an effort to modernize more than 75% of federal building space and save taxpayers \$2 billion per year in lower federal energy bills.
- The federal government is the world's largest consumer of energy.
This will help spur jobs in the green building industry as well as save taxpayer money

Lowering Health Care Costs and Ensuring Broader Coverage

Modernizing Health Care System to Lower Costs and Save Lives

- Provides \$20 billion to accelerate adoption of Health Information Technology (HIT) systems by doctors and hospitals, in order to modernize the health care system, save billions of dollars, reduce medical errors and improve quality.
- Includes significant financial incentives through the Medicare and Medicaid programs to encourage doctors and hospitals to adopt and use electronic health records that will streamline medical care.
- Has the federal government take a leadership role in developing HIT standards by 2010 – those standards will allow for the nationwide electronic exchange and use of health information in order to improve the quality and coordination of patients' care, within a framework of enhanced security and privacy.
- Strengthens federal privacy and security law to protect personally identifiable health information from misuse as the health care sector increases the use of HIT.
- Creates hundreds of thousands of jobs – many in high-tech sectors – by promoting the adoption of HIT.
- Facilitates broad adoption of HIT systems. The nonpartisan Congressional Budget Office (CBO) estimates that, as a result of this legislation, approximately 90 percent of doctors and 70 percent of hospitals will be using comprehensive electronic health records within the next 10 years.
- Controls health care costs. The nonpartisan CBO also estimates that this proposal will generate tens of billions of dollars in “system-wide” savings, including a net reduction in private health insurance premiums for families.

Protecting Health Care Coverage for Millions Through Medicaid

- Protects health care coverage for millions of Americans during this recession, by providing an estimated \$87 billion in additional federal matching funds to help states maintain their Medicaid programs in the face of massive state budget shortfalls, over a two-year period.
- This funding is vitally needed because states are facing an unprecedented, massive fiscal crisis. Total state budget gaps for FY 2009 (generally running from 7/1/08 through 6/30/09) are about \$91 billion – \$48 billion in gaps before state budgets were adopted last summer, which were closed by cutting services or raising revenues; and \$43 billion in gaps which have opened up since then.
- Budget deficits are also already projected for 39 states for the upcoming FY 2010. Initial estimates of these shortfalls total over \$80 billion. As the full extent of FY 2010 deficits become known, state shortfalls are likely to equal \$145 billion.
- In response to these shortfalls, at least 22 states have already proposed or implemented cuts that will affect eligibility for Medicaid or reduce services covered. For example, South Carolina is limiting coverage for many Medicaid services, such as psychological counseling, physician visits, and routine physicals; and California and Utah are reducing services covered by their Medicaid programs. Additionally, the governor of California has proposed cuts that will cause more than 400,000 adults to be denied Medicaid.
- This \$87 billion in State Medicaid Fiscal Relief will help states avoid cutting eligibility for Medicaid and scaling back the health care services covered. In addition to shoring up existing Medicaid coverage, increased federal assistance for Medicaid is an excellent economic stimulus. According to economist Mark Zandi, every dollar of federal Medicaid aid results in \$1.38 in increased economic activity.

Providing Health Insurance for Unemployed Workers

- As millions of people are losing their jobs in this recession, they are also losing their health insurance. This bill has two provisions to help maintain health insurance coverage during this downturn.
- COBRA currently provides temporary coverage for workers between jobs, but it is expensive. A typical family premium on COBRA is over \$1,000 a month. To help people maintain their health coverage, the bill provides a 65% subsidy for COBRA premiums for up to 12 months for people who were involuntarily separated from their jobs between 9/1/08 and 12/31/09.

- Recognizing that not all workers are eligible for COBRA, the bill also provides states the temporary option of offering coverage to unemployed workers through their Medicaid programs, with the federal government matching 100 percent of the costs of benefits and administration
- Those two provisions are estimated by the Joint Committee on Taxation and CBO as providing health insurance coverage to more than 8 million people.
- The bill also provides that COBRA-eligible workers who are 55 or older, or have worked for an employer for 10 years or more, can extend their COBRA coverage, at their own expense and with no federal cost, until they become Medicare-eligible at age 65 or secure coverage through a subsequent employer.

Investing in Prevention and Wellness

- Makes the single largest investment in prevention in history – by providing \$3 billion for a new Prevention and Wellness Fund.
- Includes funding for immunization programs that enable public health departments to operate childhood, adolescent, and adult immunization programs.
- Includes funding for the Preventive Health and Health Services Block Grant, which provides needed resources to state and local public health departments to address prevention and wellness at the local level.
- Funds hospital infection prevention programs to reduce the incidence of hospital-acquired infection.
- Also assures funding for evidence-based clinical and community-based prevention strategies.
- Over 75 percent of total health care dollars are spent on patients with one or more chronic conditions, including diabetes, heart disease, and high blood pressure. Numerous studies have shown that making increased investments in preventing these chronic conditions is one of the most effective ways to reduce health care spending, saving billions of dollars a year.

Providing Other Key Health Care Investments

- Provides \$1.1 billion for comparative effectiveness research, in order to help patients and doctors determine the effectiveness of different medical treatments. This research will improve the quality of care.
- Provides \$1.5 billion for community health centers, including \$500 million to provide quality health care to more uninsured Americans and \$1 billion to renovate clinics.
- Provides \$600 million for the training of doctors, dentists, and nurses – to address the shortage of primary care providers.

Creating Jobs by Modernizing Roads, Bridges, Transit and Waterways

Modernizing Roads and Bridges (Creates 835,000 jobs)

- Creates 835,000 jobs through investment in transportation, with \$30 billion for highway construction. These projects create jobs in the short term while saving commuters time and money in the long term.
- States have over 5,100 projects totaling over \$64 billion that could be under contract within 180 days.
- In 2006, the Department of Transportation estimated \$8.5 billion was needed to maintain current systems and \$61.4 billion was needed to improve highways and bridges.
- Includes strict accountability measures to ensure that highways and transit funds get out the door quickly to create jobs. Requires states to obligate 50 percent of the highway and transit funding within 180 days or the Transportation Department can reclaim some of the states' highway/transit funding in the bill.

Improving Public Transit and Rail (Creates 200,000 Jobs)

- Creates 200,000 jobs by making investments in transit and rail to reduce traffic congestion and our dependence on foreign oil (\$10 billion). Provides funds for new construction of commuter and light rail, modernizing existing transit systems, and purchasing buses and equipment needed to increase public transportation and improve intermodal and transit facilities.
- Improves the speed and capacity of intercity passenger rail service through grants for Amtrak and intercity passenger rail construction.
- Public transportation saves as much as 4.2 billion gallons of gasoline and reduces carbon emissions by 37 million metric tons each year.
- There are 787 ready-to-go transit projects totaling \$15.9 billion and \$1.6 billion in ready-to-go state intercity passenger rail projects. [American Public Transit Association; States for Passenger Rail Coalition]

Modernizing Federal and Public Infrastructure to Lower Energy Costs

- Makes an historic investment in upgrading federal buildings and making them energy efficient -- as part of an effort to modernize more than 75% of federal building space and save taxpayers \$2 billion per year in lower federal energy bills.
- The federal government is the world's largest consumer of energy.
- This will help spur jobs in the green building industry as well as save taxpayer money.

Prioritizing Clean Water/Flood Control/Environment Restoration (Creates 375,000 Jobs)

- Creates more than 375,000 jobs by modernizing our nation's water systems to strengthen the safety and cleanliness of our water and to ensure that 3.4 million rural households have new or improved service.
- Experts note that \$16 billion in water projects could be quickly obligated. [National Governors' Association and the Association of State and Interstate Water Pollution Control Administrators]
- Expands efforts at environmental restoration, flood protection, hydropower, and navigation infrastructure and providing clean, reliable drinking water to rural areas critical to the economy through the Army Corp of Engineers and the Bureau of Reclamation.
- Strengthens **environmental cleanup** efforts for Superfund, cleanup of petroleum leaks from underground storage tanks, nuclear waste cleanup, and brownfields that have the added benefit of creating jobs.

Building Energy Efficient and Affordable Housing

- Puts people to work building, repairing and modernizing housing, reducing long term utility costs and helping those most affected by the housing crisis.
- Repairs and modernizes public housing, with 20 percent of the investment dedicated to energy efficiency. Every dollar of these public housing expenditures produces \$2.12 in economic return.

- Helps local communities build and rehabilitate low-income housing using green technologies. Thousands of ready-to-go housing projects have been stalled by the credit crunch.
- Provides for the purchase and rehabilitation of foreclosed, vacant properties by local communities in order to create more affordable housing and reduce neighborhood blight.
- Supports \$22 billion in direct loans and loan guarantees to help rural families and individuals buy homes during the credit crunch.

Building 21st Century Schools

- Creates new modernization, renovation, and repair programs for schools and colleges, with a minimum of 25 percent of the funds focused on green building projects. This will create construction jobs and spur the green building industry.

Transforming Our Economy with Science, Technology & Innovation

Investments in Scientific Research (\$10 Billion)

National Science Foundation

- Provides \$3 billion overall for the National Science Foundation, putting the NSF budget on track to double over the next seven years, as called for under the America COMPETES Act (PL 110-69).
- Includes \$2.5 billion for NSF research and research-related activities. Sustained, targeted investment by NSF in basic research in fundamental science and engineering advances discovery and spurs innovation. Such transformational work holds promise for meeting the economic and environmental challenges facing the country, and competing in an increasingly intense global economy.
- The \$2.5 billion for research is estimated to support an additional 3,000 new NSF research awards and would immediately engage 12,750 senior personnel, post-docs, graduate students, and undergraduates.
- Also includes \$100 million for improving instruction in science, technology, engineering, and mathematics (STEM).
- Also includes \$400 million for the construction and development of major research facilities that perform cutting-edge research.

Department of Energy's Office of Science

- Provides \$1.6 billion for DOE's Office of Science, putting the office's budget also on track to double over the next seven years, as called for under the America COMPETES Act (PL 110-69).
- The DOE Office of Science is the single largest supporter of basic research in the physical sciences in the United States, providing more than 40 percent of total funding for this vital area of national importance. It oversees the nation's research programs in climate science, advanced computing, biofuels, high-energy physics, nuclear physics, and fusion energy sciences – areas crucial to our energy future.

ARPA-E

- Provides \$400 million for the Advanced Research Project Agency-Energy (ARPA-E) to support high-risk, high-payoff research into energy sources and energy efficiency in collaboration with private industry and universities.

National Institute of Standards and Technology

- Provides \$500 million overall for the Commerce Department's National Institute of Standards and Technology (NIST), putting its budget also on track to double over the next seven years, as called for under the America COMPETES Act (PL 110-69).
- Includes \$300 million for competitive construction grants for research science buildings at colleges, universities, and other research organizations.
- Includes \$100 million to coordinate research efforts at laboratories and national research facilities by setting standards for manufacturing.
- Includes \$70 million for the Technology Innovation Program (TIP), which is designed to speed the development of high-risk, transformative research targeted to address key societal challenges, and \$30 million for the Manufacturing Extension Partnership (MEP), which is targeted at improving the productivity and competitiveness of small manufacturers.

Certain Other Key Investments in Scientific Research

- \$2 billion for the National Institutes of Health (NIH), including \$1.5 billion for expanding good jobs in biomedical research to study diseases such as Alzheimer's, Parkinson's, cancer, and heart disease, and \$500 million to implement the repair and improvement plan developed by NIH for its campuses.

- \$600 million for the National Aeronautics and Space Administration (NASA), including \$400 million to put more scientists to work doing climate change research.
- \$1.5 billion for NIH to renovate university research facilities and help them compete for biomedical research grants.

Investments in IT Network Infrastructure (\$37 Billion)

More than 100 high-tech CEOs and business leaders have endorsed the bill's nearly \$40 billion in investments in IT network infrastructure, including broadband, health IT, and a smarter energy grid and estimate these investments will create more than 949,000 U.S. jobs, more than half of which will be in small businesses. They stated, "The investments in a smarter energy grid, health care IT....., and accelerating broadband deployment ... will not only stimulate the economy, but will also accelerate long-term growth."

Broadband and Wireless Services

- Provides \$6 billion for extending broadband and wireless services to underserved communities across the country, so that rural and inner-city businesses can compete with any company in the world.
- For every dollar invested in broadband, the economy sees a ten-fold return on that investment.
- The stimulative impact of this investment would be: 1) jobs to procure, produce, deliver, install, and maintain new infrastructure; and 2) jobs in sectors of the economy that rely on e-commerce, including the retail, high-tech, education, health care, and real estate sectors.

Smarter Energy Grid

- Provides \$11 billion for improving the grid, including transforming the nation's electricity systems through the Smart Grid Investment Program to modernize the grid to make it more efficient and reliable. This will jumpstart smart grid demonstration projects in geographically diverse areas; increase federal matching grants for smart grid technology (to 50% from the current 20%) including "Smart Meters" that give consumers more choice in their energy consumption at home; and spur research and development. The funding will also facilitate the building of new power lines that can transmit clean, renewable energy from sources throughout the nation.

Health Information Technology

- Provides \$20 billion to accelerate adoption of Health Information Technology (HIT) systems by doctors and hospitals, in order to modernize the health care system, save billions of dollars, reduce medical errors, and improve quality. Also provides significant financial incentives through the Medicare and Medicaid programs to encourage doctors and hospitals to adopt and use HIT.
- Promoting the adoption of Health Information Technology systems will create hundreds of thousands of jobs – many of them high-tech jobs.
- The nonpartisan CBO estimates that, as a result of this legislation, approximately 90 percent of doctors and 70 percent of hospitals will be using electronic medical records within the next 10 years.

Tax Cuts for Middle-class Families and American Businesses

Tax Cuts for American Families (\$185 billion over 10 years)

- The Make Work Pay Tax Cut provides immediate and sustained tax relief to 95 percent of American workers through a refundable tax credit of up to \$500 per worker (\$1,000 per couple filing jointly), phasing out at \$200,000 for couples filing jointly and \$100,000 for single filers. These tax cuts would be distributed to millions of families by reducing tax withholding from workers' paychecks.
- These tax cuts are a downpayment on President Obama's plan for permanent middle-class tax relief.
- Cuts taxes for the families of more than 16 million children through an expansion of the child tax credit. By expanding the child tax credit, the plan would provide a new tax cut for more than 6 million children, and increase the existing credit for more than 10 million children.
- Expands the Earned Income Tax Credit by providing tax relief to families with three or more children and increasing marriage penalty relief.
- Helps more than 4 million additional students attend college with a new, \$2,500 tax credit for families, which is partially refundable. As a result, the nearly one-fifth of high school seniors who currently receive no tax credit will receive a tax cut to make college affordable for the first time.
- Helps first-time homebuyers and strengthens the housing market by enhancing the current \$7,500 credit for first-time home purchases with the removal of the current repayment requirement.

Business Tax Incentives to Create Jobs and Spur Investment (\$20 billion over 10 years)

- Allows businesses to improve cash flow by providing a 5-year carryback of net operating losses (NOLs). This would allow businesses to write off 90% of losses incurred in 2008 and 2009 against taxes assessed over the previous five years (current law limits NOL carryback to the previous two years). This would not be available to companies that have benefited under the TARP.
- Helps businesses quickly recover costs of new capital investments by extending the increased bonus depreciation for businesses making investments in new plants and equipment in 2009.
- Spurs small business investment by extending small business expensing, which doubles of the amount that small businesses can immediately write off on their taxes for capital investments and for purchase of new equipment in 2009.
- Provides small businesses with relief by repealing the onerous 3% withholding tax on payments to government contractors.
- Provides incentives to create new jobs with business tax credits for hiring recently discharged unemployed veterans and youth that have been out of work and out of school for the 6 months prior to hire.

Tax Incentives for Renewable Energy and Energy Efficiency to Spur Energy Savings and Create Green Jobs (\$20 billion over 10 years)

- Three-year extension of the production tax credit (PTC) for electricity derived from wind (through 2012) and for electricity derived from biomass, geothermal, hydropower, landfill gas, waste-to-energy and marine facilities (through 2013). Also permits businesses that place new facilities in service during 2009 and 2010 to claim either a 30 percent investment tax credit (ITC) instead of the production tax credit, or apply for a grant of up to 30 percent of the cost of building a new renewable energy facility from the Energy Department. These provisions will help speed up investment in new facilities and will address current renewable energy credit market concerns.
- Promotes energy efficient investments in homes by extending and expanding tax credits through 2010 for investments such as new furnaces, energy-efficient windows and doors, or insulation. Increases the credit from 10 percent to 30 percent of the cost of the investment and raises the credit cap from \$500 to \$1,500, saving American families money on their energy bills.
- Provides clean renewable energy bonds for State and local governments, electric cooperatives and public power companies to finance facilities that generate electricity from renewable resources, including wind;

closed-loop biomass; open-loop biomass; geothermal; small irrigation; hydropower; landfill gas; marine renewable; and trash combustion.

- Qualified energy conservation bonds for State and local governments to make a variety of energy conservation investments, such as investments in public infrastructure, loans and grants to retrofit homes, and funding for research to reduce greenhouse gas emissions.
- Establishes an enhanced R&D tax credit for research expenditures in the fields of fuel cells, battery technology, renewable energy, energy conservation technology, efficient transmission and distribution of electricity, and carbon capture and sequestration, in 2009 and 2010.
- Increases incentives to install pumps that dispense alternative fuels including E85, biodiesel, hydrogen, and natural gas. More alternative fuel pumps are needed for consumers who are seeking to fill up flex-fuel and alternative fuel vehicles.

Tax Incentives for State and Local Economic Development (\$50 billion over 10 years)

- Reinvigorates the market for State and local government bonds. The bill would enhance the marketability for State and local government bonds, which will reduce the costs they incur in financing State and local infrastructure projects.
- Provides relief for America's hardest hit areas. The bill would provide a separate tranche of tax credit and tax-exempt bonds for development in "Recovery Zones" (areas hit particularly hard by high rates of job loss, poverty, home foreclosure, and general distress).
- Creates a new bond-financing program for school construction, rehabilitation, or repair. The bill would provide State and local governments with \$22.4 billion in tax credit bonds over the next two years to supplement Federal and State efforts to modernize our nation's schools.
- Provides temporary grant program to States in lieu of tax credits to support investment in low-income housing.

Helping Workers Hurt by the Recession

Extending and Improving Unemployment Benefits

- Continues through December 2009 the extended unemployment benefits program (which provides up to 33 weeks of extended benefits), that is otherwise scheduled to begin to phase out at the end of March 2009 – thereby helping an additional 3.5 million jobless workers.
- Increases unemployment benefits for 20 million jobless workers by \$25 per week, and encourages states to modernize their UI systems to keep up with the changing workforce with expanded coverage.
- Every dollar in unemployment benefits creates at least \$1.63 in economic activity, according to chief economist Mark Zandi of Moody's.com.

Increasing Food Stamp Benefits

- Increases food stamp benefits by over 13% to help offset rising food costs for more than 31 million Americans, half of whom are children.
- Every dollar in food stamps creates at least \$1.73 in economic activity, according to chief economist Mark Zandi of the Moody's.com.

Increasing Other Food Assistance

- Provides \$726 million for Afterschool Meals to increase the number of states that provide free healthy dinners to children in need.
- Provides \$200 million for Emergency Food and Shelter to help local community organizations provide food, shelter, and support services for the nation's hungry and homeless and for people in economic crisis.
- Provides \$200 million for formula grants to states for elderly nutrition services including Meals on Wheels and Congregate Meals.
- Provides \$150 million for the Emergency Food Assistance Program to purchase commodities for food banks to refill emptying shelves.

Providing Health Insurance for Unemployed Workers

- Provides a new temporary subsidy for COBRA premiums to enable people who have been involuntarily terminated from their jobs to maintain the coverage they had through work. Specifically, provides a 65 percent federal subsidy for COBRA continuation premiums for up to 12 months.
- Recognizing that not all workers are eligible for COBRA, also provides states the temporary option of offering coverage to unemployed workers through their Medicaid programs, with the federal government matching 100 percent of the costs of benefits and administration.
- Also provides that COBRA-eligible workers who are 55 or older, or have worked for an employer for 10 years or more, can extend their COBRA coverage, at their own expense, until they become Medicare-eligible at age 65 or secure coverage through a subsequent employer.
- As millions of people are losing their jobs in this recession, they are also losing their health insurance. The nonpartisan CBO estimates that this package would help 8.5 million people keep health care coverage for themselves and their families.

Helping Workers Find Jobs

- Training and Employment Services: Provides \$4 billion for job training including formula grants for adult job training, dislocated worker job training, and youth services (including \$1.2 billion to create up to one million summer jobs for young people).
- Vocational Rehabilitation State Grants: Provides \$500 million for state formula grants to help persons with disabilities prepare for gainful employment.

- Employment Services Grants: Provides \$500 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services.
- Community Service Employment for Older Americans: Provides \$120 million to provide subsidized community service jobs to an additional 24,000 low-income older Americans.

Increasing SSI Benefits

- Provides 7.5 million blind, disabled and aged Americans an immediate \$450 (\$650 per couple) through temporarily increasing Supplemental Security Income (SSI) benefits.

Increasing Low-Income Home Energy Assistance (LIHEAP)

- Provides \$1 billion to help low-income families pay for home heating and cooling at a time when more and more families are struggling to make ends meet.

Expanding Housing Assistance

- Increases support for several critical housing programs, including providing \$4.2 billion for the Neighborhood Stabilization Program to help communities purchase and rehabilitate foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight; \$1.5 billion for the Emergency Shelter Grant program to provide short-term rental assistance, housing relocation and stabilization services for families during the economic crisis; and \$500 million to support the Rural Housing Insurance Fund.

Restoring Child Support Enforcement Funding

- In 2006, legislation cut federal funding for child support enforcement by precluding states from receiving federal matching funds when reinvesting incentive funding for the program. This bill would help tens of thousands of families by suspending this change in FYs 2009 and 2010, thereby restoring full federal funding for collecting child support owed to families.