

THE AMERICAN RECOVERY AND REINVESTMENT PLAN

Building an Strong, Competitive 21st Century Economy

With our economy shutting down, a comprehensive recovery package is urgently needed to jumpstart our economy and fuel a sustainable recovery for years to come. Economists tell us that strategic investments in education will help America become stronger, more productive and competitive. The American Recovery and Reinvestment Plan will make bold investments to provide children with a 21st century education, create jobs by investing in schools and other infrastructure, and build a top-notch workforce trained for the jobs of the future. Below is a summary of the key provisions of the bill that fall under the jurisdiction of the House Education and Labor Committee.

EDUCATION FOR THE 21ST CENTURY

School modernization: More than \$20 billion to renovate, modernize and green public schools, colleges and universities, including technology updates.

- **K-12 schools and charter schools:** \$14 billion.
- **Higher education:** \$6 billion.
- **Schools on Indian lands or military bases:** \$100 million for school construction in communities that lack a local property tax base because they contain non-taxable federal lands such as military bases or Indian reservations.

**This program is modeled after the [21st Century Green High-Performing Public Schools Facilities Act \(H.R. 3012\)](#), passed by the House in June.*

Education Technology: \$1 billion for 21st century classrooms, including computer and science labs and teacher technology training.

Boosting Title I and special education funding for local school districts.

- **IDEA Special Education:** \$13 billion for grants to schools to increase the federal share of special education costs and prevent these mandatory costs from forcing states to cut other areas of education.
- **Title I Help for Disadvantaged Kids:** \$13 billion for grants to help disadvantaged kids reach high academic standards.

Improving teacher quality. \$300 million, 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. The package also provides \$100 million for competitive grants for states to address teacher shortage and modernize the teaching workforce.

Stabilizing and strengthening education: Creates a \$79 billion state stabilization fund to help restore cuts to critical education programs and general services. Funds are to be used for activities under the Elementary and Secondary Education Act, IDEA, and the Carl D. Perkins Career and Technical Education Act, and postsecondary education. Funds remaining after states have restored cuts shall be targeted to high poverty school districts.

- **Restoring education cuts:** \$39 billion to local school districts, public colleges and universities distributed through existing state and federal formulas.
- **Improving school performance and services:** \$15 billion to states as bonus grants as a reward for meeting key performance measures. It also provides \$25 billion to states for other high priority needs such as public safety and other general services, many of which include education.

Prepared by the House Education and Labor Committee January 2009

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Expanding access to higher education: Provides vital aid to help students and families pay for a college education, strengthening our workforce and our competitiveness.

- **Pell Grants:** \$15.6 billion to increase the maximum Pell Grant by \$500, for a maximum of \$5350 in 2009 and \$5550 in 2010.
- **College Work-Study:** \$490 million to support undergraduate and graduate students who work.
- **Student Loan Limit Increase:** Increases limits on unsubsidized Stafford loans by \$2,000.
- **Student Aid Administration:** \$50 million to help the Department of Education administer surging student aid programs while navigating the changing student loan environment.

Improving early childhood development: Ensures that children have access to the support, care, and educational opportunities they need during their earliest years.

- **Child Care Development Block Grant:** \$2 billion to provide child care services for an additional 300,000 children in low-income families while their parents go to work.
- **Head Start:** \$2.1 billion to provide comprehensive development services to help 110,000 additional children succeed in school, including \$1 billion for Early Head Start, infant and toddler programs.
- **IDEA Infants and Families:** \$600 million for formula grants to help states serve children with disabilities age 2 and younger.

A STRONG, COMPETITIVE AMERICAN WORKFORCE

Helping workers find jobs. Improves funding for training and unemployment benefits for adult workers, dislocated workers, and at-risk youth and prepares workers for green jobs and other emerging industries.

- **Job Corps Facilities:** \$300 million to upgrade job training facilities serving at-risk youth while improving energy efficiency.
- **Training and Employment Services:** \$4 billion for job training including formula grants for adult, dislocated worker, and youth services (including \$1.2 billion to create up to one million summer jobs for youth).
- **Vocational Rehabilitation State Grants:** \$500 million for state formula grants for construction and rehabilitation of facilities to help persons with disabilities prepare for gainful employment.
- **Employment Services Grants:** \$500 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services. Funds are targeted to states with the greatest need based on labor force, unemployment, and long-term unemployed rates.
- **Community Service Employment for Older Americans:** \$120 million to provide subsidized community service jobs to an additional 24,000 low-income older Americans.
- **Department of Labor Worker Protection and Oversight:** \$80 million to ensure that worker protection laws are enforced as recovery infrastructure investments are carried out.

Strengthens unemployment benefits. With more than 11 million Americans looking for a job, the package strengthens unemployment benefits and health care coverage for workers struggling to make ends meet.

- **Unemployment Benefits Extension:** \$27 billion to continue the current extended unemployment benefits program – which provides up to 33 weeks of extended benefits - through December 31, 2009.

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- **Increased Benefits:** \$9 billion to increase the current average unemployment insurance benefit from roughly \$300 per week, paid out of State trust funds, by \$25 per week using Federal funds, through December 2009. There are currently 5.3 million workers receiving regular UI and an additional 1.9 million receiving extended benefits.
- **Unemployment Insurance Modernization:** Provides funds to states through a “Reed Act” distribution, tied to states’ meeting specific reforms to increase unemployment insurance coverage for low-wage, part-time, and other jobless workers.
- **COBRA Healthcare for the Unemployed:** \$30.3 billion to extend health insurance coverage to the unemployed, extending the period of COBRA coverage for older and tenured workers beyond the 18 months provided under current law. Specifically, workers 55 and older, and workers who have worked for an employer for 10 or more years will be able to retain their COBRA coverage until they become Medicare eligible or secure coverage through a subsequent employer. In addition, subsidizing the first 12 months of COBRA coverage for eligible persons who have lost their jobs on or after September 1, 2008 at a 65 percent subsidy rate, the same rate provided under the Health Care Tax Credit for unemployed workers under the Trade Adjustment Assistance program.

HELPING FAMILIES AND COMMUNITIES IN NEED

Improving access to low-cost, healthy meals: The package includes help for low-income children and families who depend on federal nutrition programs to get healthy meals.

- **Afterschool Meals:** \$726 million to increase the number of states that provide free dinners to children in afterschool programs and to increase snack reimbursement rates.
- **Supplemental Nutrition Program Information Systems:** \$100 million to improve state management information systems for the WIC program.

Aid for communities devastated by the economic downturn. The package includes assistance for communities and low-income families facing rising energy, food, housing, healthcare, and other costs, and strengthens communities by bolstering public service and volunteer workers.

- **Community Services Block Grant:** \$1 billion for grants to local communities to support employment, food, housing, and healthcare efforts serving those hardest hit by the recession. Community action agencies have seen dramatic increases in requests for their assistance due to rising unemployment, housing foreclosures, and high food and fuel prices.
- **Community Development Block Grants:** \$1 billion for community and economic development projects including housing and services for those hit hard by tough economic times.
- **Low-Income Home Energy Assistance:** \$1 billion to help low-income families pay for home heating and cooling at a time of rising energy costs.
- **AmeriCorps Programs:** \$200 million to put approximately 16,000 additional AmeriCorps members to work doing national service, meeting needs of vulnerable populations and communities during the recession.
- **Temporary Assistance for Needy Families:** \$2.5 billion for block grants to help States deal with the surge in families needing help during the recession and to prevent them from cutting work programs and services for abused and neglected children.