



## **Budget Update**

### **American Recovery and Reinvestment Act**

This week the United States Senate voted by a supermajority vote of 60 to approve the *American Recovery and Reinvestment Act of 2009* that President Obama signed into law. This urgently-needed legislation requested by President Obama will create and protect 3.5 million jobs for American workers and begin to put the nation's economy back on track. The *American Recovery and Reinvestment Act of 2009* will **create good-paying jobs; make investments in America's future; and cut taxes** for working families.

#### Impact on Maryland

##### **Investments in Infrastructure and science:**

- \$27 million through the **Drinking Water State Revolving Fund** to address the backlog of drinking water infrastructure needs
- \$96.3 million through the **Clean Water State Revolving Fund** to address the backlog of clean water infrastructure needs
- \$431 million in **Highway Funding** to be used on activities eligible under the Federal aid Highway Program's Surface Transportation Program and could also include rail and port infrastructure activities at the discretion of the states
- \$179.3 million in **Transit Formula Funding** for investments in mass transit
- \$48.4 million through the **Public Housing Capital Fund** to enable local public housing agencies to address a national \$32 billion backlog in capital needs – especially those improving energy efficiency in aging developments – in this critical element of the nation's

affordable housing infrastructure

- \$31.7 million in **HOME Funding** to enable state and local government, in partnership with community-based organizations, to acquire, construct, and rehabilitate affordable housing and provide rental assistance to poor families
- \$22.5 million through the **Homelessness Prevention Fund** to be used for prevention activities, which include: short or medium-term rental assistance, first and last month's rental payment, or utility payments. As such, most of this funding will go directly into the economy of local communities, as the funds will be used to pay housing and other associated costs in the private market.

### **Investments in Education and Training in Maryland**

- \$718.9 million through the **State Fiscal Stabilization Fund** to local school districts and public colleges and universities in addition to incentive grants as a reward for meeting key education performance measures and additional funding for other high priority needs such as public safety and other critical services, which may include education
- \$200.2 million for **Special Education Part B State Grants** to help improve educational outcomes for individuals with disabilities, raising the federal contribution to nearly 40 percent, the level established when the law was authorized more than 30 years ago
- \$8.5 million in **education technology** funds to purchase up-to-date computers and software and provide professional development to ensure the technology is used effectively in the classroom
- \$179.3 million for **Title I Education for the Disadvantaged** to help close the achievement gap and enable disadvantaged students to reach their potential
- \$6.9 million in **State Employment Service Grants** to match unemployed individuals to job openings through state employment service agencies and allow Maryland to provide customized reemployment services
- \$12.3 million in **Dislocated Workers State Grants**, particularly for grants that support immediate strategies for regions and communities to meet their need for skilled workers, as well as longer-term plans to build targeted industry clusters with better training and a more productive workforce
- \$5 million for Department of Labor's **Adult State Grants**

- \$11.7 million for Department of Labor's **Youth State Grants**
- \$6.6 million for **Vocational Rehabilitation** to help individuals with disabilities prepare for and sustain gainful employment

### **Investments in Maryland's Energy**

- \$52.7 million through the **State Energy Program**
- \$63.2 million through the **Weatherization Assistance Program**

### **Investments in Protecting the Vulnerable in Maryland**

- \$1.3 million for **National School Lunch Program Equipment Assistance**
- \$1.3 million through the **Emergency Food Assistance Program**
- \$254.5 million in **Supplemental Nutrition Assistance Program** benefits (formerly Food Stamps)
- \$1.4 million for the **Emergency Food and Shelter Program**, which provides grants to nonprofit and faith-based organizations at the local level to supplement their programs for emergency food and shelter to provide for the immediate needs of the homeless
- \$24 million in **Child Care and Development Block Grants** to provide quality child care services for in low-income families who increasingly are unable to afford the high cost of day care
- \$7.5 million for **Head Start** to allow additional children to participate in this program, which provides development, educational, health, nutritional, social and other activities that prepare children to succeed in school
- \$13.8 million in **Community Services Block Grants** to local community action agencies for services to the growing numbers of low-income families hurt by the economic crisis, such as housing and mortgage counseling, jobs skills training, food pantry assistance, as well as benefits outreach and enrollment
- \$2.2 million for **Senior Meals Programs** to help senior meals programs cope with steep increases in food and fuel costs. Many programs are reducing meal deliveries to seniors

or closing meal sites

## **Investments in Law Enforcement in Maryland**

- \$45 million in Byrne/JAG grants to support law enforcement efforts
- \$726,610 in **Internet Crimes Against Children Grants** to help law enforcement agencies enhance their investigative response to offenders who use the Internet, online communication systems, or other computer technology to sexually exploit children
- \$3.2 million in **Violence Against Women Grants** for victim services programs to improve the criminal justice system's response to violent crimes against women and to assist victims of domestic violence, dating violence, sexual assault and stalking who are in need of transitional housing, short-term housing assistance, and related support services

## **Extended Unemployment Insurance for Maryland**

Unemployment in Maryland was 5.8 percent in December. The Department of Labor estimates that Maryland could receive up to \$127.5 million in new funding. This means an additional \$100 in unemployment insurance benefits to approximately 242,000 workers who have lost their jobs.

## **Tax Relief for Maryland Families and Small Businesses**

According to the White House and Senate Committee on Finance, the following are examples of tax provisions in the *American Recovery and Reinvestment Act of 2009* that will help Maryland businesses and families, create jobs and get Maryland's economy moving:

- Up to \$400 for workers (or \$800 for married couples) in the new **Making Work Pay Tax Credit** for 2.2 million workers and their families
- \$250 to Social Security beneficiaries, SSI recipients, and disabled veterans
- \$2,500 for 53,000 additional families in Maryland that will qualify for the new **American Opportunity Tax Credit** that makes college more affordable for 3.8 million families

nationwide

- **Extended and increased Homebuyer Tax Credit** to both help aspiring homeowners and stabilize plummeting home prices
- **Extended Bonus Depreciation and Small Business Expensing** through 2009, allowing businesses that make capital investments to immediately deduct one-half the cost. Small businesses can immediately deduct 100 percent of the cost of these investments

*(This is not a complete listing of all the benefits for Maryland in the economic recovery package. It provides estimates only of highlights of the Division A of the American Recovery and Reinvestment Act of 2009.)*

For information on the impact of the federal stimulus on Maryland's infrastructure, visit

[http://www.marylandtransportation.com/Planning/Economic\\_Recovery/Index](http://www.marylandtransportation.com/Planning/Economic_Recovery/Index)

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