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GOVERNMENT AFFAIRS CONSULTANTS

Memo

To: Marlowe & Company Clients

From: Michael Willis, Public Affairs Advisor and Toby Hicks, Legislative Intern

Re: Jobs for Main Street Act

Date: December 16, 2009

The House of Representatives passed the Jobs for Main Street Act today, December 16, 2009. The legislation specifically redirects \$75 billion from the Troubled Asset Relief Program (TARP) used to bailout financial firms and other businesses to federal infrastructure and job creation projects. It is important to note that the Senate is expected to consider this measure in early January, 2010. This will give local communities a small window of opportunity to evaluate and determine how best federal funds can be utilized.

Federal funds will be allocated directly to federal agencies, and the Secretary of each agency shall develop a method to distribute federal funds for "Jobs Creation" programs and projects. However, identical to the first Economic Stimulus Bill, federal funds for transportation projects will be allocated directly to states and territories. The State's Transportation Agency will then disperse funds to local communities and transportation planning organizations for infrastructure and enhancement projects.

Below is a summary of the funds provided in H.R. 2847, the Jobs for Main Street Act.

SUMMARY:

Transportation:

The bill contains \$48.3 billion in new infrastructure spending, including \$37.3 billion for the U.S. Department of Transportation. **These funds will be disbursed to states under identical conditions in the first Economic Stimulus Bill.**

- **Highway and Bridge Infrastructure:** \$27.5 billion for additional highway infrastructure projects.

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- **Transit:** \$8.4 billion for Public Transportation Projects; including \$6.15 billion for urban and rural formula grants; \$500 million for capital investment grants for new or expanded fixed guide way projects; and \$1.75 billion in formula funds to address repair needs of existing subway, light rail and commuter rail systems. Public transportation saves Americans time and money, saving as much as 4.2 billion gallons of gasoline and reducing carbon emissions by 37 million metric tons each year.
- **Amtrak:** \$800 million for capital grants to Amtrak for the acquisition and rehabilitation of rolling stock and passenger equipment to improve the speed and capacity of intercity passenger rail service. This investment will increase the fuel efficiency of Amtrak's locomotives and support domestic production of passenger rail equipment.
- **Airport Improvement Grants:** \$500 million for airport improvement projects that will support putting people to work to improve safety and reduce congestion at our nation's airports. An estimated \$49.7 billion is needed between 2009 and 2013 to fully fund eligible airport infrastructure projects.
 - The Secretary of Transportation will distribute \$500 million to airports within 120 days of the enactment in grants that are not subject to apportionment formulas, special apportionment categories, or minimum percentages
 - Priority will be given to projects that can be completed within 2 years of enactment of this Act.
 - Funds will not be subject to any limitation on obligations for the Grants-in-Aid for Airports program set forth in any Act.
 - Up to 100% of projects using these grants can be federally funded (at the option of the recipient).
- **Maritime Administration:** \$100 million for the Maritime Guaranteed Loan (Title XI) program to allow vessel and shipyard owners to obtain long-term financing for growth and modernization projects.
- **Surface Transportation Authorization Extension:** Extends the authorization for the highway, transit, highway safety and motor carrier safety programs of the Department of Transportation until September 30, 2010. In addition, the bill includes language that provides 100% federal share for the transportation programs authorized in the title, repeals the provision that prohibits Highway Trust Fund balances from earning interest, and restores \$20 billion to the Highway Trust Fund.

Water Resources:

- **Clean Water:** \$2 billion to help communities provide clean and safe water for both their citizens and the environment, including \$1 billion for the Clean Water State Revolving Fund and \$1 billion for the Safe Drinking Water State Revolving Fund. This funding will assist more than 670 communities address the ever growing backlog of sewer and water repairs and rehabilitation. Half of the funds will include additional subsidies, such as principal forgiveness and grants, to make it easier for more communities to access the programs.
 - Money for Interior water projects must be awarded within 45 days of enactment of this bill by the Secretary of the Interior.

- Funds can only be dispersed to *projects that have previously received funds* provided in Acts making appropriations available for Energy and Water Development.
- **Bureau of Reclamation:** \$100 million to provide clean, reliable drinking water to rural areas and to ensure adequate water supply to areas impacted by drought.
- **Corps of Engineers:** \$715 million for environmental restoration, flood protection, hydropower, and navigation infrastructure projects by the Corps of Engineers. The Corps can use up to \$30 million of this \$715 million for water related environmental infrastructure assistance and another \$30 million for the Mississippi River and Tributaries Account. The Corps has a construction backlog of \$61 billion.
 - Money for the Corps of Engineers must be awarded within 45 days of enactment of this bill by the Secretary of the Army.
 - Funds not be cost shared with the Inland Waterways Trust Fund and can only be dispersed to programs, projects or activities that have previously received funds provided in Acts making appropriations available for Energy and Water Development
 - Criteria for funding these projects are; (1) they must be shovel ready, (2) create immediate employment including contract or temporary labor, (3) they are located in states with high unemployment (not defined)
 - Projects in States with high unemployment rates will be considered first (high unemployment rate is undefined).
 - The project cap on costs provided by Section 902 WRDA projects will not apply in FY10 or FY11 if the project work is funded through this bill.
 - Funds can only be dispersed to *projects that have previously received funds* provided in Acts making appropriations available for Energy and Water Development.

Energy

- **Energy Innovation Loans:** \$2 billion for the Department of Energy Innovative Technology Loan Guarantee Program, to promote the rapid deployment of renewable energy and electric transmission projects.

Education and Job Training:

- **School Renovation Grants:** \$4.1 billion to allow State, local, or tribal governments to receive a federal grant equal to the cost of tax credits that would otherwise be payable on bonds issued to finance school construction, rehabilitation or repair.
- **Education Jobs Fund:** \$23 billion for an Education Jobs Fund to help States support an estimated 250,000 education jobs over the next two years. 95% of the funds will be allocated by States to school districts and public institutions of higher education to retain or create jobs to provide educational services and to modernize, renovate, and repair public education facilities. The remaining 5% of funds is reserved for State education-related jobs and administration of the Education Jobs Fund.

- **Job Training for High Growth Fields:** \$750 million for competitive grants to support job training for approximately 150,000 individuals in high growth and emerging industry sectors, particularly in the health care and green industries that are adding jobs despite difficult economic conditions. Grants for job training in green industries will focus on programs that train workers living in areas of high poverty.

Housing:

- **Housing Trust Fund:** \$1 billion for the National Housing Trust Fund to provide communities with funds to build, preserve, and rehabilitate rental homes that are affordable for extremely and very low income households; and \$65 million for project-based vouchers to support units built by the Trust Fund. Nationwide, for every 100 extremely low-income renter households, there are only 37 homes they can afford. Additionally, capital expenditures for housing will support jobs in the construction industry.
- **Public Housing Capital Fund:** \$1 billion for the Public Housing Capital Fund for additional repairs and rehabilitation of public housing. Every dollar of Capital Fund expenditures produces \$2.12 in economic return. In fiscal year 2009, HUD received applications totaling \$3.7 billion for Capital Fund projects, but was only able to fund \$1 billion in awards. This funding will spur construction quickly, as HUD has ready-to-go applications for projects on hand.

Public Service Jobs:

The bill redirects \$26.7 billion to stabilize public service jobs such as teachers, firefighters, and police officers, including:

- **Law Enforcement Jobs:** \$1.18 billion to support putting over 5,500 law enforcement officers on the beat throughout the United States.
 - The COPS Hiring Recovery Program (CHRP) grant will be the program used to award these funds.
 - The website <http://www.cops.usdoj.gov/default.asp?item=2108> gives complete details of qualification for the grant.
- **Firefighter Jobs:** \$500 million to retain, rehire, and hire firefighters across the United States. According to the International Association of Firefighters, nearly 6,000 firefighters have been laid off or are subject to layoffs. An additional 6,000 positions have been lost through attrition. Any unused funds may be transferred to firefighter assistance equipment grants.
 - The SAFER (Staffing for Adequate Fire and Emergency Response) Grant will be the method used to distribute these funds.
 - The website <http://www.firegrantsupport.com/safer/> gives complete details of qualification for the grant.
- **Parks and Forestry Workers:** \$270 million to support putting people to work improving and protecting federal, state, and local public lands. These funds will support approximately 14,000 short term jobs, improving service to visitors, reducing the large backlog in facilities and habitat restoration needs, and reducing hazardous fuels that lead to damaging and expensive wildfires.

Additional Items:

The bill continues emergency help to working families to make ends meet at a cost of \$79 billion, including:

- **Unemployment Insurance:** \$41 billion to extend, for six months, expanded unemployment benefits, including increased payouts and longer duration of benefits.
- **Help with Health Insurance for Unemployed Workers (COBRA):** \$12.3 billion to extend from nine to 15 months the 65% COBRA health insurance subsidy for individuals who have lost their jobs. The job lost eligibility date is extended in the provision to June 30, 2010. Approximately seven million people benefited from the premium subsidy provided in the Recovery Act.
- **Small Business Loans:** \$354 million, fully offset, to allow the Small Business Administration (SBA) to continue two temporary loan guarantee authorities through the end of fiscal year 2010 to make loans more attractive to borrowers and lenders and to free up capital. Small businesses represent a major engine for the U.S. economy, but many small business owners have had a difficult time securing needed loans in these tight economic times.
- **FMAP Extension:** \$23.5 billion to extend the higher federal match for payments to doctors providing services to low-income families under Medicaid through June 2011. The higher federal match provides an incentive for states to commit resources to their Medicaid programs and helps ensure services for Medicaid beneficiaries.
- **Child Care Tax Credit:** \$2.3 billion to increase eligibility for the refundable portion of the child tax credit by removing the \$3,000 floor for 2010. That will cut taxes for 16 million families, by making the Child Tax Credit available to all low-income working families with children in 2010.
- **Assistance Eligibility:** \$305 million to freeze Department of Health and Human Services (HHS) poverty guidelines at 2009 levels in order to prevent a reduction in eligibility for certain means-tested programs, including Medicaid, Supplemental Nutrition Assistance Program (SNAP), and child nutrition.
- **Income Tax Refund Disregard:** Provides that individuals may exclude counting tax refunds as income for the purpose of assessing eligibility for means-tested programs supported by Federal funds for one year.
- **Social Security Legal Assistance:** The bill permanently authorizes a provision to help Social Security and Supplemental Security Income disability claimants retain legal representation. The provision limits attorney fees to 25% of the claimant's past-due benefits, only paid if the claimant wins and subject to a \$6,000 cap.
- **USDA Civil Rights Claims:** Extends the statute of limitations for claims of discrimination in USDA's credit programs that have been pending for years at USDA, and provides funding for remedies which is fully offset.

If you have questions or would like more information on any of these funding opportunities for your community, please contact your Marlowe & Company team leader or email legislation@marloweco.com.