



United States Senator

MARY L. LANDRIEU
Louisiana

Policy Brief

**Summary of the *American Recovery and Reinvestment Act of 2009*
Creating Jobs, Investing in Our Country's Future, and
Cutting Taxes for the People of Louisiana**

Major provisions with special significance for Louisiana include:

\$752 million for Nationwide Agriculture Disaster Relief: Working with leaders on both sides of the aisle, Senator Landrieu made good on a major campaign promise and secured \$800 million for agriculture disaster relief for farmers across the country. It is important to remember that when "times were good" for most of the rest of the country, farmers were suffering from inflated fuel prices, and a one-two punch of weather disasters (Hurricanes Gustav and Ike in the Gulf, severe droughts elsewhere). As a result, when the bottom fell out of the broader economy farmers were already on the ropes. These funds will ensure our food security and see that the economic recovery package helps rural America as well as our small businesses.

Arbitration of FEMA Disputes: In a huge victory for Louisiana, Senator Landrieu successfully inserted an amendment that establishes a system of binding arbitration that will resolve disputes between local governments and FEMA over Public Assistance projects. Louisiana has 4,000 projects tied up in endless disputes with FEMA – projects worth an estimated total of \$1.4 billion. Another \$100 million worth of projects has been stalled in Mississippi. Previously, those projects would have been stuck in an endless limbo while storm-ravaged communities waited on the FEMA bureaucracy. Now there is an end in sight. This amendment will stimulate the economy without new dollars needed as the funds are already authorized.

Homeowner Reimbursement for Hazard Mitigation Expenses: Thanks to this change, homeowners who invested thousands of dollars out-of-pocket into elevating their homes and performing other safety measures are no longer penalized for not waiting on FEMA. Homeowners will not be penalized for their self-sufficiency by being categorically denied reimbursement.

Community Disaster Loan (CDL) Cap Waiver: This provision allows local governments impacted by Gustav or Ike to borrow above the \$5 million cap that previously existed. FEMA has already determined that five Louisiana applications are eligible for these loans, and that number is expected to grow.

Breakdown of Estimated Economic Recovery Benefits for Louisiana

**Note that this provides preliminary estimates of the highlights of the American Recovery and Reinvestment Act of 2009. It is not a complete listing of all the benefits for Louisiana in the economic recovery package.*

Infrastructure and science

The economic recovery package includes the following estimated benefits for Louisiana:*

- \$429.9 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.
- Congress provided \$4.6 billion in funding for the Army Corps of Engineers for flood protection, inland waterway locks and dams, navigation projects, and coastal restoration. Currently, Louisiana is estimated to receive approximately 10% of \$4.6 billion total, but the Army Corps is still preparing the list of eligible projects.
- \$27.8 million through the Drinking Water State Revolving Fund to address the backlog of drinking water infrastructure needs.
- \$43.8 million through the Clean Water State Revolving Fund to address the backlog of clean water infrastructure needs.
- \$65.7 million in Transit Formula Funding for investments in mass transit
- \$73.5 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
- \$39.7 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.
- \$26.7 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

Education and Training in Louisiana

- \$718.1 million will be provided to Governor Jindal through the State Fiscal Stabilization Fund. The funding will be used for 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. 81.8 percent of these funds are reserved for the education block grant. The remaining 18.2 percent of these funds can be used flexibly to avert budget cuts in education or in other basic state services, such as public safety and law enforcement, services for the elderly and people with disabilities, or child care. These funds can also be used for school modernization, renovation, or repair. The funds are available to states immediately, and must be spent within two years of receipt of the grant.
- \$188.8 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.
- \$13.4 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.
- \$5.5 million in State Employment Service Grants to match unemployed individuals to job openings through state employment service agencies and allow Louisiana to provide customized reemployment services.
- \$9.8 million in Dislocated Workers State Grants, particularly for grants that support immediate strategies for regions and communities to meet their need for skilled workers.
- \$8.8 million for Department of Labor's Adult State Grants.
- \$20.2 million for Department of Labor's Youth State Grants.
- \$9.8 million for Vocational Rehabilitation to help individuals with disabilities prepare for and sustain gainful employment.
- According to the White House, the economic recovery plan provides funding sufficient to modernize at least 412 schools in Louisiana. The economic recovery package also includes more Pell Grants for the 11,000 Pell Grant recipients in Louisiana.

Louisiana's Energy

- \$69.3 million through the State Energy Program which directs funding to state energy offices to address their energy priorities and program funding to adopt emerging renewable energy and energy efficiency technologies.
- \$53.6 million through the Weatherization Assistance Program, which is administered by Louisiana Housing Finance Agency through a partnership with the Louisiana Association for Community Action Partnerships. Funds go to low-income families and may support attic, wall, floor, duct, and pipe insulation; cleaning air conditioners; and replacing old refrigerators.

Protecting the Vulnerable in Louisiana

- \$1.7 million for National School Lunch Program Equipment Assistance
- \$1.6 million through the Emergency Food Assistance Program
- \$437 million in Supplemental Nutrition Assistance Program benefits (formerly Food Stamps)
- \$1.2 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
- \$40 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
- \$14.5 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
- \$23.6 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
- \$1 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

Law Enforcement in Louisiana

- \$34.9 million in Byrne/JAG grants to support law enforcement efforts
- \$1 million 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
- \$2.6 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

Tax Relief for Louisiana Families and Small Businesses

- Up to \$400 for workers (or \$800 for married couples) in the new Making Work Pay Tax Credit for 1.7 million workers and their families
- \$250 to Social Security beneficiaries, SSI recipients, and disabled veterans
- \$2,500 for 77,000 additional families in Louisiana 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
- The American Recovery and Reinvestment Act of 2009 would protect over 26 million working families across the nation from the Alternative Minimum Tax, representing thousands of dollars in additional income taxes.
- According to the Congressional Research Service, 207,000 Louisianians would be protected from the Alternative Minimum Tax in 2009.

Temporary Assistance to Needy Families in Louisiana

According to the Congressional Research Service, Louisiana would receive \$17 million in TANF supplemental grants under the American Recovery and Reinvestment Act of 2009. These supplemental grants provide additional assistance to states with high population growth and/or increased poverty. Seventeen states qualify and currently receive these grants, which would expire in June 2009. The legislation would extend these grants for Fiscal Year 2010.