
This MassBudget Brief describes what benefits Massachusetts is slated to receive through the American Recovery and Reinvestment Act (ARRA) and what impact those benefits could have on our state and its residents. It is particularly important to consider which elements of ARRA can be used to address the Commonwealth’s budget gap. For example, the highway and bridge infrastructure funds in ARRA will allow Massachusetts to undertake a number of important projects to improve the state’s transportation infrastructure. However, because these funds are specifically targeted for new projects, they will not have an effect on the state’s ongoing budget crisis. Similarly, tax cuts, while benefitting thousands of state residents, are not directly related to state fiscal issues. The following brief provides information on the funds, tax cuts, and benefits available to Massachusetts through ARRA, the purpose of those funds, and whether or not they can directly help the state address its current budget crisis.

On February 17, 2009, the President signed the American Recovery and Reinvestment Act (ARRA). This legislation seeks to reverse the downward economic spiral in which consumers are spending less, causing companies to cut back on production and lay off workers, leading to further reductions in purchasing by businesses and households, continuing the deepening spiral. In an effort to break this cycle, the ARRA injects $787 billion into the national economy and targets it to be spent quickly, thus increasing demand for goods and services and encouraging economic growth.

Because state governments across the nation are facing large budget deficits, Congress recognized that one of the most efficient ways to stimulate the national economy would be to provide aid to state and local governments that would otherwise be forced to lay off workers or cut back on funding for service providers, who would then be forced to lay off workers and reduce spending in the local economy. By giving state governments the capacity to cancel layoffs and continue purchasing needed goods and services, this element of the stimulus package will quickly increase demand in the economy. This aid to states both helps people directly by supporting quality education for children, public safety for local communities, and access to health care and other safety net services for those who need them, and helps the national economy by increasing economic activity.

This temporary fiscal relief will not solve the long-term structural budget problems that are faced by many states, including Massachusetts. Before the national recession began, Massachusetts faced serious structural budget problems.1 These structural problems will ultimately have to be addressed by long-term changes in state revenue or spending policies, or both.

In the short term, however, states need to use the federal fiscal relief as it was intended: to avoid making cuts that would reduce overall economic activity. While states may be tempted to use some of the federal fiscal relief to reduce their reliance on

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1 For more information on long-term contributors to the state’s budget gap see MassBudget’s Report, “Substantial Surpluses to Dangerous Deficits,” available online at http://www.massbudget.org/documentsearch/findDocument?doc_id=638
reserves, such actions would undermine the purposes of the ARRA and slow the national economic recovery. If the federal fiscal relief simply allows states to reduce the use of their own reserves, then it would not be increasing overall economic activity—it would just be a new source of money for spending that the states would have done with their own reserves. That would suggest to future policymakers that aid to states is not an effective form of economic stimulus, and, more significantly, such a use of ARRA funding could significantly undermine the ability of the law to restore strength to the national economy.

This MassBudget Brief provides an overview of provisions in ARRA that affect the state, municipalities and residents. The brief is organized according to MassBudget categories, except for nutrition programs, which are grouped together.

Because Massachusetts is in the midst of dealing with a looming budget deficit in Fiscal Year (FY) 2010, elements of ARRA that will help the state directly address budget issues are highlighted in the text. In total, we estimate that ARRA will provide Massachusetts with approximately $4 billion in total that will help address budget gaps in FY 2009 through FY 2011. This amount could be lower if Medicaid funds are at the low end of the estimates described later in the brief.

For each item, this brief:

- Describes the total ARRA appropriation;
- Estimates the funding level for Massachusetts;
- Outlines how funds were allocated among states;
- Assesses whether the funds will help with the state’s current budget crisis; and,
- Describes how the funds can be used and what Massachusetts has to do to receive them.

The question of whether or not programs in ARRA will help Massachusetts close its budget gap can be interpreted in different ways. For example, a source of federal funding that goes directly to a municipality does not directly help the state’s budget situation. However, if those locally allocated funds are spent on a program that has received or could receive reductions in state funding, it could be argued that the local money is indirectly helping the state situation. For the purposes of this brief, however, federal funds are only considered to help the state address its budget gap if they go directly to the state’s General Fund or are otherwise allocated by the state through the budget process.

Because the federal government is still in the process of determining how the programs within the stimulus will be implemented, all estimates and analysis comes with the caveat that details are subject to change. However, the following descriptions are intended to provide the reader with a better sense of how ARRA will impact Massachusetts and its residents.

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2 For more information, see the Center on Budget and Policy Priorities brief on this topic, available online at: http://www.centeronbudget.org/cms/index.cfm?fa=view&id=2665

3 For a chart of how MassBudget categorizes government spending, see the preliminary analysis of the Governor’s FY 2010 budget, available online at: http://www.massbudget.org/documentsearch/findDocument?doc_id=646&dse_id=702

4 The $4 billion estimation is the sum of the increased Medicaid reimbursements, Education and Flexible block grant, TANF emergency fund and the Child Care Development Block Grant, each of which is described later in the brief.

5 Allocations to Massachusetts are, in most cases, estimates and subject to change. For programs such as Medicaid, TANF and Child Support incentives, the Massachusetts allocation is based on state actions that are not yet known. In these cases, the brief presents either a reasonable range or an upper bound for funding to Massachusetts.
MEDICAID and OTHER HEALTH CARE PROGRAMS

State Fiscal Relief: Temporary Increase of Medicaid FMAP (Federal Medicaid Assistance Percentage)

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$86.6 billion</th>
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| Allocation to Massachusetts: | $2.4–$3.1 billion

How is Massachusetts’ share awarded? What are the funds for?

The American Recovery and Reinvestment Act makes funding available to states in the form of an increase in the federal reimbursement rate (Federal Medicaid Assistance Percentage, or “FMAP”) paid to states for their Medicaid spending. The Medicaid program (known as MassHealth in Massachusetts) is jointly funded by the state and federal governments, and the federal government currently reimburses Massachusetts for 50 percent of its Medicaid spending. The increase in the federal reimbursement rate will be spread out over the 27 months between October 1, 2008 and December 31, 2010.

Every state will receive a 6.2 percentage point across-the-board increase in its FMAP. Any state with a recent increase in unemployment of at least 1.5 percentage points will also receive an additional increase in its FMAP.8

The total amount Massachusetts will receive, under this provision of the stimulus bill, is therefore dependent upon two variables: how much Massachusetts actually spends on Medicaid – since the FMAP is a reimbursement for actual spending, and how much the Massachusetts unemployment rate changes over the next two years.

The current Massachusetts FMAP is 50 percent, and with the across-the-board increase, the FMAP would increase to 56.2 percent. However, because of recent increases in the unemployment rate here, the FMAP will increase even more. If unemployment increases by more than 1.5 percentage points above the base level, the Massachusetts FMAP would be 58.8 percent. If unemployment increases by more than 2.5 percentage points, Massachusetts FMAP would be 60.2 percent. If unemployment increases by 3.5 percentage points or more, the Massachusetts FMAP would be 61.6 percent.9

In Massachusetts, the “base” unemployment rate is 4.3 percent. The unemployment rate in the fourth quarter of calendar year 2008 was 6.1 percent. This is 1.8 percentage points greater than the 4.3 percent “base,” so the FMAP for the first two quarters of federal fiscal year 2009 is already 58.8 percent. The unemployment rate in January was 7.4 percent, and if that rate holds steady over the entire quarter, the

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6 Estimates for the total amount of FMAP reimbursement available to Massachusetts vary because the formula for reimbursement depends on the total amount of Medicaid spending between October 2008 and December 2010 and the unemployment rate in Massachusetts during this period. Since these numbers cannot be known for certain at this time, this MassBudget Brief provides a range. The estimate of $3.1 billion comes from initial estimates calculated by the Government Accountability Office, which are available here: http://www.cbpp.org/1-22-09bud-fmap.pdf.

7 This across-the-board increase applies to non-DSH Medicaid spending (particular spending for hospitals that serve a disproportional share of low-income or Medicaid-eligible persons), as well as spending on Title IV-E foster care spending.

8 This additional increase would not apply to Title IV-E foster care spending.

9 In each fiscal year quarter, the FMAP is re-calculated by taking the original state share (50 percent) and reducing it by 3.1 percentage points. This total (46.9 percent) is then multiplied by an unemployment multiplier which is based on the percent point unemployment increase from the defined base period, which is the lowest three-month unemployment rate since 2006. If unemployment has increased by at least 1.5 percentage points but less than 2.5 percentage points, the multiplier is 5.5 percent. If unemployment has increased by at least 2.5 percentage points but less than 3.5 percentage points, the multiplier is 8.5 percent. If unemployment has increased by 3.5 percentage points or more, the multiplier is 11.5 percent.
Massachusetts FMAP would increase to 60.2 percent.

The other significant variable affecting the amount of increased FMAP received by Massachusetts is the level of Medicaid spending. Medicaid spending is itself a function of several variables, particularly health care cost inflation and a variety of policy choices that will affect total spending. The federal stimulus bill requires that states maintain current eligibility standards to receive the increased reimbursement. However, states could cut Medicaid spending in other ways and still meet the requirements of the stimulus bill. Such cuts would, however, lead to reductions in the amount of federal Medicaid revenue the state would receive, as the FMAP funding is provided based on the state’s actual Medicaid spending.

Estimates for the total FMAP Massachusetts might receive range from $2.4 billion to $3.1 billion. If the unemployment rate stayed under 6.8 percent, and if Medicaid spending were held to minimal growth ($12.6 billion in federal fiscal year 2009, $11.9 billion in FY 2010, and $3.1 billion for the first quarter of FY 2011), the total increased FMAP received by Massachusetts over the 27 months would be approximately $2.4 billion. If the unemployment rate stayed at 7.4 percent through the spring and then increased to 7.8 percent by the fall, Massachusetts would receive approximately $2.89 billion in increased FMAP ($1.2 billion in federal FY 2009, $1.3 billion in federal FY 2010, and $360 million for the one quarter in federal fiscal year 2011; amounting to $876 million in the three quarters of state FY 2009, $1.3 billion in state FY 2010, and $706 million in the two quarters of state FY 2011). If the unemployment rate increased more rapidly, and if Medicaid spending increased as well, the total increased FMAP could be as high as $3.1 billion.

On February 23, 2009, the federal government released FMAP payments for the first two quarters of federal fiscal year 2009 (October 2008 – March 2009). Massachusetts received $594,257,179 in this allocation. In mid-March, the federal government released additional payments for increased reimbursement for Title IV-E foster care. Massachusetts received $2,928,902 for two quarters of the fiscal year.

Can these funds address the budget gap?

Yes. The Governor had included an estimate of $533 million in increased FMAP reimbursement in his FY 2009 budget, and an estimate of $711 million for FY 2010. The total amounts available to Massachusetts will be significantly higher than the Governor’s initial estimates.

What requirements and/or restrictions are placed on receiving and spending the funds?

Massachusetts must maintain current (as of July 1, 2008) Medicaid eligibility rules, and must provide non-federal matching funds. There is also language indicating that states may not receive the increase in FMAP reimbursement “if any amounts attributable (directly or indirectly) to such increase are deposited or credited into any reserve or rainy day fund of the State.”

For more information, see the Center on Budget and Policy Priorities:
http://www.cbpp.org/1-22-09bud-fmap.pdf

10 It is important to understand that Massachusetts receives FMAP reimbursement for more than just spending in the MassHealth program, so the total costs identified here are significantly greater than the totals usually associated with the MassHealth program. There is spending in other departments such as children and families, mental health, mental retardation (developmental services) and public health that are also reimbursable by federal Medicaid dollars.

11 These figures come from estimates made by the Center on Budget and Policy Priorities, and are based on November 2008 Medicaid spending projections from the federal Centers for Medicare and Medicaid Services (CMS-37), with estimates for FY 2011.

12 The Government Accountability Office estimated that Massachusetts would receive $3.09 billion in increased FMAP. Cited by the Center on Budget and Policy Priorities here: http://www.cbpp.org/1-22-09bud-fmap.pdf

13 http://www.hhs.gov/recovery/statefunds.html

14 http://www.hhs.gov/recovery/programs/acf/titleive.html
Temporary Increase in DSH (Disproportionate Share Hospital) Allotment

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<tr>
<th>ARRA Appropriation:</th>
<th>$548.3 million</th>
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<tr>
<td>Allocation to Massachusetts:</td>
<td>$15.1 million15</td>
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How is Massachusetts’ share awarded? What are the funds for?

This funding is made available to states as an increase in the formula that reimburses funding for disproportionate share hospitals (DSH) for each of two years. In federal fiscal year 2009, Massachusetts would receive a 2.5 percent increase in its DSH allocation over the FY 2008 levels. In federal fiscal year 2010, Massachusetts would receive an additional 2.5 percent increase above the FY 2009 level.

On March 20th, the President announced a first year DSH award of $7.5 million to Massachusetts.

Can these funds address the budget gap?

Yes. Medicaid DSH reimbursement is a component of the federal revenues used in Massachusetts to fund the MassHealth program. These increased revenues will be available to support the costs of health care programs in the state budget.

What requirements and/or restrictions are placed on receiving and spending the funds?

This funding is made available to states as a continuation of funding for the DSH program. Massachusetts must use these funds consistent with current DSH funding guidelines.

For more information, see the Kaiser Family Foundation: http://kff.org/medicaid/upload/7872.pdf


Extension of the Qualifying Individual (QI) Program

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<th>$563 million</th>
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<tr>
<td>Allocation to Massachusetts:</td>
<td>Unknown</td>
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How is Massachusetts’ share awarded? What are the funds for?

Funds for the Qualifying Individual (QI) program will be made available to states through continued reimbursement for certain low-income elders or adults with disabilities for whom the Medicaid program pays their Medicare Part B premiums. The ARRA extends this program until December 31, 2010.

Do these funds help fill the state budget gap?

Yes. The QI program in Massachusetts is known as the Medicare Buy-In program, and is part of the MassHealth program.

Are there requirements Massachusetts has to meet to get this money? How must these funds be spent?

This funding is made available to states as a continuation of funding for the QI program. Massachusetts must use these funds consistent with MassHealth funding guidelines.

For more information, see the Kaiser Family Foundation: http://kff.org/medicaid/upload/7872.pdf

Extension of the Moratoria on Certain Medicaid Regulations

<table>
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<tr>
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<th>$105 million (estimate)16</th>
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<tr>
<td>Massachusetts impact:</td>
<td>Unknown</td>
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How is Massachusetts’ share awarded? What are the funds for?

The previous administration had promulgated regulations that would have reduced Medicaid reimbursement for specific Medicaid services. Congress had put a moratorium on three of these regulations (targeted case management, provider taxes, and school-based administration and transportation through April). The federal stimulus legislation extends the moratorium on these three regulations through June 2009. The federal Department of Health and Human Services may choose not to finalize another three sets of regulations (affecting reimbursement for graduate medical education, public providers and rehabilitation services). Finally, the federal stimulus bill places a moratorium on a December 2008 regulation on reimbursement for outpatient hospitals.

Do these funds help fill the state budget gap?

Yes. The regulatory changes allow the Commonwealth to continue to receive federal revenues to support the costs of certain services in the MassHealth program. These increased revenues will be available to support the costs of health care programs in the state budget.

Are there requirements Massachusetts has to meet to get this money? How must these funds be spent?

This funding is made available to states as a continuation of funding for identified Medicaid services. Massachusetts must use these funds consistent with MassHealth funding guidelines.

For more information, see the Kaiser Family Foundation:
http://kff.org/medicaid/upload/7872.pdf

Construction and Expansion of Community Health Centers

Included in the federal stimulus bill is a provision to provide $2.5 billion in funding over two years to community health centers, in order to expand access to health care for low-income and vulnerable populations. Of this total, $500 million would be available to community health centers in direct grants, $1.5 billion for capital projects and health information technology, and $500 million for primary care workforce development. On March 2, the President announced the release of $155 million of the total available, in order to support “new access points” for primary and preventive care. The North Shore Community Health Center, in Salem, Massachusetts was awarded $1.3 million in this competitive grant cycle to develop a new community health center in Gloucester. This is the only award in Massachusetts at this time.

Can these funds address the budget gap?

No. Because the federal dollars will go directly to support community health centers, they will not be available to address the state’s budget gap.

What requirements and/or restrictions are placed on receiving and spending the funds?

This funding goes directly to health care providers based on competitive grants.

For more information, see the U.S. Department of Health and Human Services:
http://www.hhs.gov/recovery/hrsa/healthcentergrants.html

Health Care Research

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<tr>
<td>Allocation to Massachusetts:</td>
<td>Unknown</td>
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How is Massachusetts’ share awarded? What are the funds for?

Included in this total is $8.2 billion available over two years to support health research. There is also funding for capital and equipment support for health research, and a total of $1.1 billion in

17 http://www.hhs.gov/recovery/hrsa/healthcentergrants.html
funding targeted to “comparative effectiveness research” to help health care consumers determine the relative merits of various treatment options.18 The emphasis in funding will be on research in which there should be progress within the two years for which this funding is available.

Can these funds address the budget gap?

No. These funds go directly to health care providers and researchers, and will not be available for state appropriation.

What requirements and /or restrictions are placed on receiving and spending the funds?

These funds will be disbursed largely through the National Institutes of Technology (NIH), and allocated according to competitive guidelines established by NIH.

For more information, see the National Institutes of Health: [http://grants.nih.gov/recovery/](http://grants.nih.gov/recovery/)

Health Care Information Technology (“Health Information Technology for Economic and Clinical Health Act” or the “HITECH Act”)

<table>
<thead>
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<th>$2.0 billion</th>
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<tr>
<td>Allocation to Massachusetts:</td>
<td>Unknown</td>
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How is Massachusetts’ share awarded? What are the funds for?

The federal stimulus bill creates a National Coordinator for Health Information and Technology in order to develop and implement health information technology protocols nationwide. Since the passage of Chapter 58 of the Acts of 2006 (the Massachusetts health reform law) and the passage of Chapter 305 of the Acts of 2008 (the Massachusetts health care cost containment legislation), the Commonwealth has been actively working to develop electronic health records systems and a variety of health information technology initiatives. As of February 2009, the estimated costs of these targeted “eHealth” projects for which the Commonwealth might seek federal stimulus funds total $513 million.19 Of the total, $300 million has been earmarked to support health information exchange at the state or regional level, but much of the funding will be available to states for health information technology development. Some of the grants will require state matching contributions, at levels not yet determined.

Can these funds address the budget gap?

No. However, the state has reduced its General Fund transfer into the eHealth Institute Trust by $10 million in this fiscal year. Additional federal funding for health information technology could reduce the need for additional transfers of state funds in the future.

What requirements and /or restrictions are placed on receiving and spending the funds?

These funds will be available to states through competitive grant processes.

For more information, see the Council for State Governments: [http://www.staterecovery.org/Websites/staterecovery/Images/6%20Health%20Care.pdf](http://www.staterecovery.org/Websites/staterecovery/Images/6%20Health%20Care.pdf)

Prevention and Wellness Fund

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<tr>
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<tr>
<td>Allocation to Massachusetts:</td>
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How is Massachusetts’ share awarded? What are the funds for?

The federal stimulus legislation provides $1.0 billion for community-based health and wellness programs, including $300 million for expanded immunizations, $650 million for community-based strategies to reduce chronic disease, and $50

18 http://grants.nih.gov/recovery/
million to reduce “healthcare associated infections reduction strategies.”

Can these funds address the budget gap?

Unknown. Depending upon how these funds are allocated, they could provide an important resource to support prevention and wellness programs currently administered by the Massachusetts Department of Public Health. The Massachusetts immunization program alone has already experienced significant service cutbacks as a result of the current fiscal crisis.

What requirements and /or restrictions are placed on receiving and spending the funds?

Unknown.

For more information, see the Council for State Governments

NUTRITION PROGRAMS

Food Stamps (Supplemental Nutritional Assistance – SNAP)

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<th>ARRA Appropriation:</th>
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<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$323.7 million20</td>
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How is Massachusetts’ share awarded? What are the funds for?

More than $19 billion of the appropriation goes to increasing all SNAP benefits by 13.6 percent through FY 2013. In addition, there are funds to help states administer the increase to their SNAP programs.

The Massachusetts share is based on the number of SNAP recipients in the state.

Can these funds address the budget gap?

No. These funds go directly for SNAP recipients in Massachusetts.

What requirements and /or restrictions are placed on receiving and spending the funds?

There are no state requirements for receipt of SNAP funds.

For more information, see the Department of Agriculture’s SNAP site at

Women, Infants and Children Supplemental Nutrition (WIC) Program

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
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<tr>
<td>Allocation to Massachusetts:</td>
<td>Unknown</td>
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How is Massachusetts’ share awarded? What are the funds for?

Of the $500 million available for the WIC Program, $400 million will be placed in a contingency reserve fund within the U.S. Department of Agriculture for distribution to the states. The manner of distribution is not yet known. There will also be $100 million available for grants to states to improve information management systems.

Can these funds address the budget gap?

No. Federal funds for the WIC program remain separate from the state’s budget.

What requirements and /or restrictions are placed on receiving and spending the funds?

Unknown.

For more information on support for the WIC Program, see the U.S. Department of Agriculture:
http://www.usda.gov/wps/portal/?navid=USDA_ARRA

20 http://www.cbpp.org/1-22-09bud-fs.pdf
Aging Services Programs

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
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<tr>
<td>Allocation to Massachusetts:</td>
<td>$2.1 million21</td>
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How is Massachusetts’ share awarded? What are the funds for?

The federal stimulus legislation also provides $100 million for nutrition services for elders, including $65 million for congregate meals, and $32 million for home-delivered meals. On March 18, 2009, the federal government released $1.4 million for congregate meals in Massachusetts, and $691,000 for home-delivered meals for elders in Massachusetts.

Can these funds address the budget gap?

No. Federal funds for the elder nutrition programs remain separate from the state’s budget.

What requirements and/or restrictions are placed on receiving and spending the funds?

The funds for meals for elders will be awarded to community-based organizations that provide congregate or home-delivered meals.

For more information on support for the elder nutrition programs, see the U.S. Department of Health and Human Services:
http://www.hhs.gov/recovery/programs/aoa/arra.html

HOUSING, INFRASTRUCTURE and ECONOMIC DEVELOPMENT

Highway and Bridge Infrastructure Investment

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$437.9 million22</td>
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21 http://www.hhs.gov/recovery/programs/aoa/arrafunding.html

22 http://www.fhwa.dot.gov/legsregs/directives/notices/n45107051.html

How is Massachusetts’ share awarded? What are the funds for?

Massachusetts highway and bridge infrastructure funds are based on the federal aid formula which takes into account highway road miles in a state and other factors.

These funds will be used for projects to maintain and improve motor vehicle transportation infrastructure within states. Federal guidelines set forth the priority criteria states should employ in selecting projects:

- Completion within three years;
- Projects in economically distressed areas; and,
- Maximization of job creation and economic benefit

Funds can be used on any federal-aid highway as well as for rail transportation and port infrastructure projects. States must provide comprehensive reports for all projects, including monthly reports on the number of newly hired employees and total employee hours.

Can these funds address the budget gap?

No. Highway and bridge infrastructure funds will not reduce potential budget cuts because they will fund new transportation projects and will not be used to make up cuts in areas of state transportation funding.

What requirements and/or restrictions are placed on receiving and spending the funds?

These federal highway infrastructure funds can be spent on a wide variety of transportation projects. The funds do not come with any specific state matching requirements, meaning that the federal money can fund up to 100 percent of eligible projects. Thirty percent of state funds, $131.4 million for Massachusetts, must be set aside for certain areas of the state based on population. The state must obligate 50 percent of their total
allocation for specific projects within 120 days of the apportionment to the state.

For more information: see the Federal Highway Administration’s ARRA site at [http://www.fhwa.dot.gov/economicrecovery/index.htm](http://www.fhwa.dot.gov/economicrecovery/index.htm)

### Federal Transit Administration Funds

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
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</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$319.7 million(^{23})</td>
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</table>

How is Massachusetts’ share awarded? What are the funds for?

The money is allocated to states based on the federal government’s formulas for aid to urbanized and non-urbanized transportation areas. Under this formula, Massachusetts receives the sixth-largest allocation of any state.

Transit funds are intended to pay for capital projects which meet certain federal criteria. As with other ARRA funds, the state must submit quarterly reports on the use of funds, as well as additional reports on contract and project specifics.

Can these funds address the budget gap?

No. These funds will go directly for transit capital improvements. The funds cannot be used for transit system operating expenses.

What requirements and /or restrictions are placed on receiving and spending the funds?

The state must obligate 50 percent of its Transit Capital Assistance funds to eligible projects within 180 days of allocation. The remaining 50 percent of a state’s allocation must be obligated within one year.

For more information, see the Federal Transit Authority’s ARRA site at [http://www.fta.dot.gov/index_9118.html](http://www.fta.dot.gov/index_9118.html)

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### Community Development Block Grant (CDBG)

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<tr>
<td>Allocation to Massachusetts:</td>
<td>$29.1 million(^{24})</td>
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How is Massachusetts’ share awarded? What are the funds for?

CDBG funds are awarded based its traditional distribution formula. The majority of funds go directly to cities that have received CDBG funds in the past; each state receives a separate allotment that can be distributed to communities that do not directly receive CDBG funds. In Massachusetts, 36 cities and towns will receive CDBG funds through ARRA.

CDBG funds are used at the local level for projects to provide housing and economic opportunities for low and moderate-income families. Funds can be used for property acquisition, building and rehabilitation as well as for grants to non-governmental entities involved with projects consistent with CDBG.

Can these funds address the budget gap?

No. These funds, which go to community and economic development projects, could fund programs at the municipality level, but are not likely to impact the state budget gap.

What requirements and /or restrictions are placed on receiving and spending the funds?

As in prior years, communities must apply for CDBG funds. Recipients are directed to prioritize projects that can be started within 120 days, even allowing some of the usual requirements for CDBG projects to be waived in order to get projects started more quickly.

For more information, see HUD’s site on ARRA’s CDBG funds at [http://www.hud.gov/recovery/cdblock.cfm](http://www.hud.gov/recovery/cdblock.cfm)

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Public Housing Capital Fund

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<th>ARRA Appropriation:</th>
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<tr>
<td>Allocation to Massachusetts:</td>
<td>$81.9 million25</td>
</tr>
</tbody>
</table>

How is Massachusetts’ share awarded? What are the funds for?

Public housing agencies will receive the funding based on a distribution formula that the Department of Housing and Urban Development (HUD) used in 2008. Funds will not be awarded to agencies that are designated as “troubled” or agencies that do not want the funding.

Can these funds address the budget gap?

No. HUD requires that the funding distributed to the states be used to supplement other funds appropriated by federal, state or local housing authorities.

What requirements and/or restrictions are placed on receiving and spending the funds?

Funds are used to rehabilitate existing public housing structures, including making such structures more energy efficient. Funds can also be used to build new public housing though priority must be given to projects that can make bids within 120 days of the funds being made available. Money cannot be used for rental or housing assistance.

For more information, see HUD’s site on ARRA’s Public Housing Capital Fund at http://www.hud.gov/recovery/phcfund.cfm

Tax Credit Assistance Recovery Grant

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$2.25 billion</th>
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</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$59.6 million26</td>
</tr>
</tbody>
</table>

How is Massachusetts’ share awarded?

These funds are awarded based on HUD’s Low Income Housing Tax Credit (LIHTC) program. These funds will be provided as direct capital grants to LIHTC recipients (private builders and developers) to provide necessary capital for projects that have stalled due to lack of funds.

Can these funds address the budget gap?

No. The funds are awarded by the state to builders and developers of affordable housing projects.

What requirements and/or restrictions are placed on receiving and spending the funds?

States are required to distribute these funds to projects that will improve housing stock for low-income families. Projects are eligible if they are already receiving LIHTC funds, but are in need of gap financing to continue. Priority must be given to projects that can be finished within three years.

For more information, see HUD’s site on ARRA’s Tax Credit Assistance Program at http://www.hud.gov/recovery/tax-credit.cfm

Homelessness Prevention

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$1.5 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$44.8 million27</td>
</tr>
</tbody>
</table>

How is Massachusetts’ share awarded? What are the funds for?

The federal Department of Housing and Urban Development allocates funding by the formula that it uses to distribute funds to states through its Emergency Shelter Grant Program. Of the $44.8 million allocated to Massachusetts, 25 percent ($18 million) will stay with the Department of Housing and Community Development and the remaining 75 percent is distributed to cities and towns that receive ESG funds.

For more information, see HUD’s site on ARRA’s Homelessness Prevention at http://www.hud.gov/recovery/homelesspreventrecov.xls

25 http://www.hud.gov/recovery/capitalfund.xls

26 http://www.hud.gov/recovery/tcaprecovery.xls

27 http://www.hud.gov/recovery/homelesspreventrecov.xls
These funds are used to help homeless individuals and families get housing and/or to prevent individuals and families from becoming homeless.\(^{28}\)

**Can these funds address the budget gap?**

It is unclear. HUD has not yet published requirements for this funding and since Massachusetts already provides funding to prevent homelessness and to re-house those who are homeless, it is possible that the state could use these funds to address the budget gap in homelessness funding.

**What requirements and/or restrictions are placed on receiving and spending the funds?**

The money can be used to help pay overdue rent or utility bills, providing assistance in helping homeless individuals and families remain in current housing or find new housing, help pay for one-time costs in relocation such as security deposits and moving costs. The money cannot pay for emergency shelter for homeless families or individuals.

For more information see HUD’s site on ARRA’s Homeless Prevention Fund, at http://www.hud.gov/recovery/homeless-prevention.cfm

**Project Based Rental Assistance**

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$2 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$119 million(^{29})</td>
</tr>
</tbody>
</table>

**How is Massachusetts’ share awarded? What are the funds for?**

These funds will be distributed based on an existing HUD formula. The funds will be used to renew rental subsidization contracts with landlords for a 12-month periods, avoiding delayed payments and allowing for better upkeep of subsidized housing.

**Can these funds address the budget gap?**

No. The funds will go to renewing existing contracts with operators of subsidized housing.

**What requirements and/or restrictions are placed on receiving and spending the funds?**

As mentioned above, these funds are confined to renewing subsidized housing contracts.

For more information, see HUD’s site on ARRA’s Project Based Rental Assistance at http://www.hud.gov/recovery/pbrassistance.cfm

**Neighborhood Stabilization Project**

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$1.98 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

**How is Massachusetts’ share awarded? What is the money for?**

Neighborhood Stabilization funds are awarded through a competitive grant process to states, nonprofit organizations, and local governments. Awardees will use funds to buy and rehabilitate abandoned or foreclosed properties for rehabilitation as well as other projects to stabilize neighborhoods and create affordable housing.

**Can these funds address the budget gap?**

No.

**What requirements and/or restrictions are placed on receiving and spending the funds?**

HUD is developing specific criteria for grant applications and will release the criteria by May 3. In general, applicants must demonstrate capacity to execute a specific neighborhood stabilization fund that will use 50 percent of the money within two years.

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\(^{28}\) As noted below, the state can use TANF Contingency funds for basic assistance which can include services for homeless families.

For more information, see HUD’s site on ARRA’s Neighborhood Stabilization Project at http://www.hud.gov/recovery/nspg.cfm

Workforce Development

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$3.5145 billion</th>
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<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$64.19 million</td>
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</table>

How is Massachusetts’ share awarded? What are the funds for?

Workforce development funds for states are awarded based on the formula defined in the federal Workforce Investment Act, which is based on the number of economically disadvantaged youth in a state, and unemployment data.

The funds go to providing employment for at-risk youth, as well as employment services available at regional One Stop Career centers around the state.

Can these funds address the budget gap?

Mostly no. ARRA specifies that funds can be used to fund jobs for at-risk youth as well as other workforce training programs, some of which may be negatively affected by the budget crisis. The majority of the funds, however, will be distributed to regional workforce investment areas and spent at the local level.

What requirements and/or restrictions are placed on receiving and spending the funds?

The Workforce Development funds have specific allocations for youth activities, worker training, programs for dislocated workers, and other reemployment services. The majority of the funds will be reallocated by the state to regional workforce investment areas.

ARRA also includes $750 million in competitive grant funds that will go to programs to train workers for growing and high need fields, such as Green Jobs within the energy sector. Because these funds are awarded competitively, it is not yet clear how much Massachusetts will receive.

For more information on Workforce Development funds in ARRA, see the Department of Labor’s site at http://www.dol.gov/recovery/

Unemployment Insurance (UI) Incentive Payments

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$7 billion</th>
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</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$162.7 million</td>
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</tbody>
</table>

How is Massachusetts’ share awarded? What are the funds for?

UI incentive payments are provided to states based on improvements the state makes to its unemployment insurance system. The total awards are based on whether states make certain changes to their UI system.

Can these funds address the budget gap?

No. States receiving UI incentive payments must use the funds to improve the state’s Unemployment Compensation system, which is funded out of a separate state trust.

What requirements and/or restrictions are placed on receiving and spending the funds?

Massachusetts is already eligible for the first third of the incentive payment, $54.3 million, because its UI system uses an Alternative Base Period to calculate worker benefits, meaning workers’ most recent wages are used to determine UI eligibility. In order to qualify for the remaining $108 million, Massachusetts must adopt one of the other UI standards laid out in ARRA, including:

32 http://nelp.3cdn.net/c763952a5b73e8852c_3iim6sj65.pdf

33 ARRA requires states to adopt two reforms to receive two-thirds of the UI Modernization funds. However, Massachusetts has already implemented one of the possible reforms (Dependency allowance) and so only has to adopt one more reform to receive the funds.
• Providing benefits for persons seeking part
  time work;
• Providing benefits for people leaving work
  due to family emergencies; and
• Providing 26 weeks of benefits for laid off
  workers requiring training.

UI Benefits and COBRA

In addition to direct aid to states, ARRA makes
changes to Unemployment Insurance benefits and
COBRA health insurance that will directly affect
approximately 200,000 unemployed in
Massachusetts.

UI Changes

ARRA increases the weekly UI benefit for
unemployed workers by $25, until January 2010. In
addition, ARRA extends benefits by between 20
and 33 weeks for workers currently receiving UI.
This will provide an additional $12.6 million to
unemployed Massachusetts workers each week.

COBRA Changes

COBRA allows unemployed workers to continue
their employer-based health care coverage.
However, prior to ARRA, workers who did this
paid, on average, 102 percent of the cost of their
coverage. Through ARRA, the federal government
will subsidize 65 percent of the cost of monthly
premium for workers laid off between September
2008 and January 1, 2010. The benefit of this
change to unemployed workers is estimated at
$24.7 billion.

For more information on Unemployment Insurance,
please see the National Employment Law Project site at
http://www.nelp.org/index.php/site/issues/category/modernizing
unemployment_insurance

For more information on COBRA changes in ARRA, see
the Department of Labor site at
http://www.dol.gov/ebsa/COBRA.html

ENERGY and ENVIRONMENT

Clean and Safe Drinking Water State Revolving
Funds

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$6 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$186.6 million36</td>
</tr>
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</table>

How is Massachusetts’ share awarded? What are the
funds for?

The Environmental Protection Agency (EPA)
distributes the funds to states based on a 2003
distribution formula for these programs. Funds
will be used for clean water projects and to
improve infrastructure for drinking water.

Can these funds address the budget gap?

No. These are capital grants provided by the EPA
and are not to be used to fill the budget gap.

What requirements and /or restrictions are placed on
receiving and spending the funds?

EPA allocates $134.4 million for the Clean Water
State Revolving Fund and $52.2 million for the
Drinking Water Revolving Fund. Priority is given
to any project that can begin work within 12
months of the stimulus bill’s enactment. The bill
also requires that at least 20 percent of the grants
go to green infrastructure, water and energy
efficiency, wastewater treatment, water
conservation and storm water runoff mitigation.

For more information on Clean and Safe Drinking
Water Revolving Funds, see the EPA’s site at
http://www.epa.gov/water/eparecovery/

Energy Efficiency and Conservation Block Grants

http://www.epa.gov/water/eparecovery/docs/Final_SRF_eco_reco
very_allotments.pdf

34 Workers receiving UI prior to January of 2010 can continue
to receive the supplemental $25 per week until June of 2010.

35 http://www.dol.gov/ebsa/COBRA.html
How is Massachusetts’ share awarded? What are the funds for?

The ARRA appropriates $3.2 billion for the Energy Efficiency and Conservation Block Grants. $2.8 billion of this appropriation will be distributed to cities with a population of at least 32,000 or one of the 10 most populous cities in the state and to counties with a population of at least 200,000 or one of the 10 most populous counties in the state. The remaining $400 million will be distributed through a competitive grant program. The Energy Efficiency and Conservation Block Grant program helps local governments develop and implement plans to improve energy efficiency and reduce carbon emissions.

Can these funds address the budget gap?

No. This money will be distributed directly to cities and counties.

What requirements and/or restrictions are placed on receiving and spending the funds?

Funding through this program is used to reduce total energy consumption, reduce dependence on fossil fuel emissions, increase the use of renewable sources of energy, promote energy efficiency in transportation, building and other sectors which consume large amounts of energy and promote economic growth and create jobs.

For more information on the Energy Efficiency and Conservation Block Grant Program go to:
http://apps1.eere.energy.gov/wip/block_grants.cfm#eligible

State Energy Programs

| ARRA Appropriation: | $3.1 billion
| Allocation to Massachusetts: | $54.9 million

How is Massachusetts’ share awarded? What are the funds for?

The formula distribution provides 1/3 of the money equally to all states, 1/3 based on state population and the final 1/3 based on energy consumption in each state. The funds are for the development and implementation of state energy conservation plans.

Can these funds address the budget gap?

No. This program will supplement funding for energy efficiency programs in the state.

What requirements and/or restrictions are placed on receiving and spending the funds?

Program will promote energy efficiency and reduce energy consumption in the state. In order to qualify for the funds, states must:

- Implement policies that provide financial incentives for energy companies to reduce energy consumption by their consumers; and,
- Adopt commercial and residential building standards that meet or exceed energy conservation and efficiency standards.

For more information on State Energy Programs, see
http://www.grants.gov/search/search.do;jsessionid=hp7KJ5mTTv6NwG1JKJV10KP2N8BbBXC0RyWP3PjkL1Qvi0FiyFs1057178580?oppId=45986&flag2006=false&mode=VIEW

Weatherization Assistance Program

| ARRA Appropriation: | $5 billion
| Allocation to Massachusetts: | $122.1 million

How is Massachusetts’ share awarded? What are the funds for?

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37 http://apps1.eere.energy.gov/wip/block_grants.cfm#allocated
38 http://www.energy.gov/massachusetts.htm
39 http://www.energy.gov/massachusetts.htm
Distribution is based on the state’s low-income population, number of units to be weatherized and the state’s climate. Weatherization funds provide grants of up to $6,500 to low-income families to weatherize their homes to improve energy efficiency.

Can these funds address the budget gap?

No. This appropriation funds the weatherization assistance program which is a federally funded program.

What requirements and/or restrictions are placed on receiving and spending the funds?

Weatherization funding provides low-income households with grants to improve energy efficiency in their homes. The stimulus bill expands the number of households eligible for weatherization by increasing the number of families eligible for federal funding from 150 percent of poverty to 200 percent of poverty. The legislation also increases the size of the individual grants from $2,500 to $6,500.

For more information on the Weatherization Assistance Program, see the EPA site at http://www.energy.gov/recovery/energy_efficiency.htm

HUMAN SERVICES

Temporary Assistance for Needy Families (TANF) Emergency Funds

| ARRA Appropriation: | $5 billion |
| Allocation to Massachusetts: | $45.9 million40 |

How is Massachusetts’ share awarded? What are the funds for?

TANF is a block grant that helps provide direct government assistance to needy individuals and families in Massachusetts, through the form of cash assistance, some forms of emergency shelter assistance and employment and child care subsidization. Massachusetts’ share from the TANF Emergency Funds will be determined by increases in:

- TANF caseload;
- TANF expenditures for non-recurrent short-term benefits; and,
- TANF expenditures for subsidized employment.

In each area with an increase, the state will receive 80 percent of the increase. However, state allocations from the contingency fund are capped at 50 percent of their total TANF grant for one year.

Can these funds address the budget gap?

Yes. Funds can help address the budget gap because they allow the state to receive federal funds to pay for increased TANF costs that the state would have had to cover itself.

What requirements and/or restrictions are placed on receiving and spending the funds?

Aside from meeting the increase in caseload or eligibility requirements, these funds do not have additional requirements for states.

For more information on TANF, please see the Center on Budget and Policy Priorities site at: http://www.cbpp.org/2-26-09tanf.pdf

Community Services Block Grant (CSBG)

| ARRA Appropriation: | $1 billion |
| Allocation to Massachusetts: | $24.8 million41 |

How is Massachusetts’ share awarded? What are the funds for?

40 Since Massachusetts already received 20 percent funding from the TANF Contingency Fund this fiscal year and is expected to receive funding again in FY10, the allocation for Massachusetts is capped at 10 percent of its TANF block grant. The state is eligible to receive up to $45.9 million over two years.

41 http://www.acf.hhs.gov/programs/ocs/csbg/csbg_program.htm
Each state’s CSBG share will be awarded based on the historic formula.

The CSBG funds programs at the local level to reduce poverty and strengthen the social safety net for low-income and at-risk populations.

*Can these funds address the budget gap?*

No. CSBG funds are distributed by the state to the local level, while it is possible that some of these funds could be used for projects that otherwise would have used state funding, CSBG funds will not directly help the state funding gap.

*What requirements and/or restrictions are placed on receiving and spending the funds?*

States have to apply for CSBG funds, but under the same criteria as in other years.

For more information on the Community Services Block Grant, see the Administration for Children and Families site at [http://www.acf.hhs.gov/programs/ocs/csbg/](http://www.acf.hhs.gov/programs/ocs/csbg/)

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**CRIMINAL JUSTICE**

Edward Byrne Memorial Justice Assistance Grant (JAG) Program

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$2.25 billion</th>
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</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$40.8 million42</td>
</tr>
</tbody>
</table>

*How is Massachusetts’ share awarded? What are these funds for?*

Of the $2 billion allocated to the Edward Byrne Memorial Justice Assistance Grant (JAG) Program, Massachusetts is eligible to receive a total of $40.8 million. JAG grants are determined by a minimum base allocation for each state, which is based on the state’s share of the national population and its share of the country’s violent crime statistics. Sixty percent of the total allocation is awarded to the state and 40 percent is awarded directly to eligible local governments. Under ARRA, Massachusetts is eligible to receive approximately $25 million; its cities and towns can receive up to $15.7 million. A percentage of the state’s $25 million goes to cities and towns that are not eligible for direct JAG grants.

In addition, there is also $225 million in Byrne grants that municipalities, non-profits and private entities can apply for to fund job retention and creation that will aid local criminal justice systems.

JAG grants can be spent on technical assistance, training, personnel, equipment, supplies, and information systems. These criteria include prosecution and court programs, prevention and education programs, corrections and community corrections programs, drug treatment and enforcement programs, and improvement programs; and crime victim and witness programs.

*Can these funds address the budget gap?*

No. However, these funds can help replace state community policing funds that were eliminated from Governor Patrick’s budget proposal. ARRA funds will be distributed through the existing JAG grant formula, distinct from how community policing funds were distributed, but the funds can be used for similar purposes and so could offset the effects of the community policing cuts.

*What requirements and/or restrictions are placed on receiving and spending the funds?*

Massachusetts must apply for the JAG grant by April 9, 2009.

Local governments must apply for the JAG grant by May 18, 2009. The Office of Justice Programs has created a list of cities and towns that are eligible to apply directly to the JAG program based on their share of the state’s violent crime statistics. In Massachusetts, 147 cities and towns are on this list.

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Community Oriented Policing Services (COPS)

<table>
<thead>
<tr>
<th>Arra Appropriation:</th>
<th>$1 billion</th>
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</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>Unknown</td>
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</tbody>
</table>

How is Massachusetts’ share awarded? What are the funds for?

The COPS program will receive $1 billion to distribute directly to law enforcement agencies for the hiring and rehiring of additional career law enforcement officers, and to increase community policing capacity and crime-prevention efforts. COPS Hiring Recovery Program (CHRP) Grants are awarded through a competitive application process. Any Massachusetts law enforcement agency with primary law enforcement authority over a jurisdiction can apply.

The grants will provide 100 percent funding for salaries and benefits for three years for newly hired, full-time sworn officer positions (including filling existing unfunded vacancies) or forrehired officers who have been laid off, or are scheduled to be laid off on a future date, as a result of local budget cuts.

Can these funds address the budget gap?

No. However, these funds can help replace state community policing funds that were eliminated from Governor Patrick’s budget proposal. ARRA funds will be distributed through the existing COPS grant formula, distinct from how community policing funds were distributed, but the funds can be used for similar purposes and so could offset the effects of the community policing cuts.

What requirements and/or restrictions are placed on receiving and spending the funds?

Applications and further information will be available by the end of March. At the end of the three years, law enforcement agencies must retain all officers hired or rehired under the grant.

EDUCATION and GENERAL GOVERNMENT SERVICES

State Fiscal Stabilization Fund

ARRA includes a $53.6 billion state fiscal stabilization fund. This fund is divided into three major components: an education block grant, a flexible block grant, and a $5 billion state innovation fund.

Education Block Grant

<table>
<thead>
<tr>
<th>Arra Appropriation:</th>
<th>$39.7 billion</th>
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<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$813 million</td>
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</table>

How is Massachusetts’ share awarded? What are the funds for?

The money is allocated to states based on population share. Sixty-one percent of the allocation is based on a state’s population between the ages of 5 and 24. The remaining 39 percent of the allocation is based on total state population. These funds will provide direct funding to public school districts and public higher education campuses.

The Governor has announced that he will use $168 million of these funds in FY 2010 to ensure that all school districts meet their foundation budget.

Can these funds address the budget gap?

Yes. Although the money will be distributed to school districts and public higher education campuses, its

http://www.ed.gov/about/overview/budget/statetables/09arrastate tables.pdf This brief divides the Massachusetts allocation between the Education Block grant and the Flexible Block grant, based on the language within ARRA.
purpose is to provide funding necessary for states to meet their obligations to public education. While the ARRA directs that this money is allocated by the Governor rather than the Legislature, we treat this as money spent through the budget process because decisions about allocating this grant are so closely tied to choices about budget funding levels for these accounts.

What requirements and/or restrictions are placed on receiving and spending the funds?

In order to get this money, Massachusetts has to be funding public K-12 and higher education at FY 2006 levels. In the case of K-12, Massachusetts is already meeting this standard. For higher education, the Governor’s budget proposal is approximately $67 million below the FY 2006 level.

Education Block Grant funds can be spent in fiscal years 2009 through September of 2011 for three main purposes:

- To make up for cuts to K-12 public education since FY 2008;
- To fund increases in K-12 public education funding called for by existing school funding formulas; and,
- To make up for funding cut from public higher education since FY 2008.

Please see our earlier fact sheet for specific information on how these requirements affect Massachusetts.\(^{44}\) The majority of these education funds are scheduled to be released to states within the next 30 to 45 days to avert layoffs and create jobs. The federal Department of Education guidelines for the SFSF state that if a state shows that it is unable to avert layoffs in K-12 or higher education with the first phase of funding, states can receive initial funds, up to 90 percent of their total allocation, to prevent layoffs. Aside from saving jobs, the Department of Education states that school districts and state colleges should use the funds for improving teacher effectiveness, creating high-quality student assessments, establishing data systems and providing effective interventions for the lowest performing schools.

### Flexible Block Grant

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$8.87 billion</th>
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<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$181 million(^{45})</td>
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</table>

How is Massachusetts’ share awarded? What are the funds for?

The money is allocated to states based on population share. Sixty-one percent of the allocation is based on a state’s population between the ages of 5 and 24. The remaining 39 percent of the allocation is based on total state population.

Flexible block grant funds can be spent on education, public safety, “and other government services,” leaving the use of the funds open ended.

Can these funds address the budget gap?

Yes. These funds are not earmarked for any special purpose and could be spent to prevent cuts or to otherwise ease the budget gap. Like the education block grant, they are allocated by the Governor but are effectively part of the budget process.

What requirements and/or restrictions are placed on receiving and spending the funds?

In order to get this money, Massachusetts has to be funding public K-12 and higher education at FY 2006 levels. There are no specific restrictions on the use of flexible block grant funds.


### Special Education

| ARRA Appropriation: | $12.2 billion |

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**Allocation to Massachusetts:** $298.2 million

How is Massachusetts’ share awarded? What are the funds for?

These special education funds will be distributed to school districts in the same manner as other federal Individuals with Disabilities Act (IDEA) fund allocations and intended to be spent over the course of the 2009-2010 and 2010-2011 school years. IDEA provides reimbursements for school districts, as well as to preschools and Early Intervention programs, for a portion of the costs associated with meeting federal education standards for children with disabilities.

Can these funds address the budget gap?

No. However, these funds can reduce potential cuts within local school districts. While the funds have to be spent on allowed IDEA costs, they can supplant district-level maintenance of effort requirements, potentially freeing up money for other purposes. These funds could not directly ease the budget gap at the state level, although it is possible that the state could reduce other special education reimbursements given the additional federal money at the local level.

What requirements and/or restrictions are placed on receiving and spending the funds?

These funds are to go toward the federal government’s special education (IDEA) match of up to 40 percent. Half of the IDEA funds for state and preschool grants will be distributed by the end of March. States do not need to apply for these funds.

Districts can only spend these funds on IDEA approved special education costs; however, this includes supplanting district-level maintenance of effort requirements that could free up local funds for other uses.


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**Title I – Improving the Academic Achievement of the Disadvantaged**

**ARRA Appropriation:** $13 billion

**Allocation to Massachusetts:** $163.4 million

How is Massachusetts’ share awarded? What are the funds for?

Ten billion dollars of the Title I amount will be awarded based on the existing Title I formula. All school districts with more than 5 percent of their children in poverty receive some Title I money, but the funds are targeted to districts with the highest poverty rates.

The remaining $3 billion will be released as school improvement grants, based on forthcoming regulations.

Title I funds can be spent in a number of areas to improve educational outcomes for at-risk children. Areas for spending include professional development for teachers, the hiring of math coaches, and extended day learning activities.

Can these funds address the budget gap?

No. However, these funds can reduce potential cuts at school districts by providing funds for approved Title I activities that might otherwise receive cuts. Indirectly, this could affect the state’s budget expenditures as well as state funding that goes to Title I related activities, could be reduced in recognition of increased funds at the local level.

What requirements and/or restrictions are placed on receiving and spending the funds?

Generally, no requirements need to be met to receive increased Title I funds. The funds must be spent, however, on Title I services. Fifty percent of

the increase state grants for Title I ($10 billion in total) will be distributed by the end of March. As with the IDEA funds, in order for states to receive their remaining funds, they must submit an amended Title I application reflecting recordkeeping and accountability requirements contained in ARRA.

For more information on Title I, see the Department of Education’s site at http://www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html

Child Care Development Block Grant (CCDBG)

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<tr>
<th>ARRA Appropriation:</th>
<th>$2 billion</th>
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<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>$23.9 million*</td>
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</table>

How is Massachusetts’ share awarded? What are the funds for?

The CCDBG money is allocated to states based on a state’s population under 6 years old, the number of children eligible for federal free and reduced lunch programs, and the poverty level within a state. CCDBG funds are used to support providing child care for children 0-13. In addition, CCDBG money can be directed to improving child care quality and providing services specifically designed for infants and toddlers.

Can these funds address the budget gap?

Yes. While the CCDBG funds cannot supplant state funding for child care support, the state’s Department of Early Education and Care has recently responded to budget difficulties by freezing the number of child care slots subsidized by the state. Federal funds could be used to provide services to children who otherwise would not have received child care because of the proposed cutbacks.

What requirements and/or restrictions are placed on receiving and spending the funds?

The CCDBG funds have a supplement not supplant provision, meaning that the funds must not take the place of state funding that otherwise would have taken place. However, the administration for Children and Families has not yet indicated what maintenance of effort requirements they will hold states to in order to ensure that CCDBG funds are not supplanting state money.

For more information on the Child Care Development Block Grant, see the Center for Law and Social Policy (CLASP) site at http://www.clasp.org/publications/ccdbginbrief.pdf

Head Start

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$2.1 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

How is Massachusetts’ share awarded? What are the funds for?

Head Start funds are divided into $1 billion for regular Head Start and $1.1 billion for Early Head Start. Regular Head Start funds are distributed through a formula, while the Early Head Start is distributed through a competitive application process. Head Start goes to providing early childhood education to low-income children.

Can these funds address the budget gap?

No. Head Start funds are spent solely on federal Head Start programs to provide raises to staff, hire additional personnel and expand enrollment. While the funds could help to replace $1 million in state Head Start funding that was cut during the 9C process, these funds do not address the state’s structural budget gap.

What requirements and/or restrictions are placed on receiving and spending the funds?

Head Start funds must be spent on programs that receive federal money to provide early education to low income children.

For more information on Head Start, see the CLASP site at:

### Child Support Enforcement

<table>
<thead>
<tr>
<th>ARRA Appropriation:</th>
<th>$1 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocation to Massachusetts:</td>
<td>Up to $35.249 million</td>
</tr>
</tbody>
</table>

**How is Massachusetts’ share awarded? What are the funds for?**

ARRA’s change to the way state child support enforcement funds are reimbursed will allow the state to claim additional federal reimbursements. These federal funds are used to make sure that child support obligations are met.

**Can these funds address the budget gap?**

Yes. The Child Support funds address the budget gap because they allow the state to replace state money that had been used to draw down federal reimbursements, with federal money, freeing up state spending for either increased child support spending or for other purposes.

**What requirements and/or restrictions are placed on receiving and spending the funds?**

Child support enforcement reimbursements are based on state spending on child support enforcement spending.

*For more information on Child Support Enforcement funds, see the CLASP site at [http://www.clasp.org/publications/statebystatematch021309.pdf](http://www.clasp.org/publications/statebystatematch021309.pdf)*

### ARRA Tax Cuts

**For individuals**

ARRA includes a number of provisions to provide tax relief to Massachusetts residents. Most notably, the Making Work Pay tax credit provides up to $400 per worker or $800 for working families. This credit will go to an estimated 2.45 million workers in Massachusetts. Other tax relief components of ARRA include:

- $250 one-time payments to 1.2 million Massachusetts retirees and recipients of Social Security insurance;
- Eligibility expansions to the Earned Income Tax Credit as well as an increase in the maximum credit for families with three or more children;
- Increasing the earnings that the Child Tax Credit applies to so that the parents of 155,000 children will receive a larger tax credit than in the past;
- $2,500 tax credit for college tuition and related costs. It is estimated that 71,000 college students in Massachusetts will benefit from this credit;
- Eliminates repayment requirement for home-buying tax credit for homes bought in the first eight months of 2009;
-Suspends the federal income tax on Unemployment Insurance benefits; and,
- Tax deduction for new motor vehicle purchases.

**Business and energy taxes**

ARRA also includes other tax breaks for business and energy:

- Increases the time period over which small businesses can carry back operating losses;
- Provides employers a tax credit of up to 40 percent for the first $6,000 of wages paid to employees of certain targeted groups, such as veterans and disconnected youth;
- Extends tax credits for energy efficiency home improvements through 2010; and,

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It is important to note that in the case of Massachusetts, due to the state’s funding level in the current year, it is highly unlikely Massachusetts could recoup this amount.

50 [http://www.cbpp.org/1-21-09tax3.htm](http://www.cbpp.org/1-21-09tax3.htm)

51 [http://www.cbpp.org/2-12-09tax.htm](http://www.cbpp.org/2-12-09tax.htm)


53 [http://www.nga.org/Files/pdf/ARRAANALYSIS.PDF](http://www.nga.org/Files/pdf/ARRAANALYSIS.PDF), p. 29-34
• Increases the tax credit for certain plug-in motor vehicles.
## APPENDIX A

### ESTIMATES OF ARRA SPENDING IN MASSACHUSETTS

<table>
<thead>
<tr>
<th>Category</th>
<th>SPENDING PROGRAM</th>
<th>National Amount</th>
<th>Estimated Mass. Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid</td>
<td>Temporary increase in Federal Medicaid Assistance Percentage (FMAP) reimbursement rate</td>
<td>$86.6 billion</td>
<td>$2.4-$3.1 billion</td>
</tr>
<tr>
<td>Medicaid</td>
<td>Temporary increase in allotment for hospitals that serve a disproportionate share of low-income patients (DSH)</td>
<td>$548 million</td>
<td>$15 million</td>
</tr>
<tr>
<td>Medicaid</td>
<td>Extension of the Qualifying Individual program that helps some low-income elders or persons with disabilities with payment of Medicare Part B premiums</td>
<td>$563 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Medicaid</td>
<td>Extension of moratoria on certain Medicaid regulations that would have reduced reimbursements to states for specific categories of Medicaid spending</td>
<td>$150 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Health Care</td>
<td>Expanded funding for prevention and wellness activities, including additional funding for immunizations, chronic disease reduction strategies and infection reduction</td>
<td>$1.0 billion</td>
<td>Unknown</td>
</tr>
<tr>
<td>Health Care</td>
<td>Construction and expansion of community health centers</td>
<td>$2.5 billion</td>
<td>$1 million so far</td>
</tr>
<tr>
<td>Health Care</td>
<td>Expanded support for health care research, largely funded through the National Institutes of Health</td>
<td>$11.1 billion</td>
<td>Unknown</td>
</tr>
<tr>
<td>Health Care</td>
<td>Expanded support for the development of health care information technology</td>
<td>$2.0 billion</td>
<td>Unknown</td>
</tr>
<tr>
<td>Health Care</td>
<td>Additional funding for the Women, Infants and Children Supplemental Food (WIC) Program</td>
<td>$500 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Human Services</td>
<td>Additional funding for elder nutrition programs, including congregate and home-delivered meals</td>
<td>$100 million</td>
<td>$2.1 million</td>
</tr>
<tr>
<td>Housing, Infrastructure and Economic Development</td>
<td>Highway and bridge infrastructure funding</td>
<td>$27.5 billion</td>
<td>$437.9 million</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Public transportation infrastructure funding</td>
<td>$8.4 billion</td>
<td>$319.7 billion</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Community Development Block Grant funds provide housing and economic development opportunities for low- and moderate-income families</td>
<td>$1 billion</td>
<td>$29.1 million</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Public Housing Capital Fund goes to renovating and rehabilitating public housing</td>
<td>$3 billion</td>
<td>$81.9 million</td>
</tr>
<tr>
<td>Housing, Infrastructure and Economic Development</td>
<td>Tax Credit Assistance Recovery Grant provides gap funding affordable housing projects</td>
<td>$2.25 billion</td>
<td>$59.6 million</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Project Based Rental Assistance funds the renewal of contracts with property owners providing subsidized rental units</td>
<td>$2 billion</td>
<td>$119 million</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Neighborhood Stabilization Project provides competitive grants to projects that buy and rehabilitate foreclosed or abandoned property</td>
<td>$1.98 billion</td>
<td>Competitive grant</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Assisted Housing Stability and Energy and Green Retrofit Investments provide grants and loans to property owners for energy and green retrofit investments</td>
<td>$250 million</td>
<td>Competitive grant</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Lead Hazard Reduction and Healthy Homes funds to reduce lead in the housing stock</td>
<td>$100 million</td>
<td>$10.4 million</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Public Housing Capital Fund competitive grants to fund public housing projects</td>
<td>$995 million</td>
<td>Competitive grant</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Workforce development programs fund job training, and other employment services for laid off workers and at-risk youth</td>
<td>$3.5145 billion</td>
<td>$64.19 million</td>
</tr>
<tr>
<td>Category</td>
<td>Description</td>
<td>Amount</td>
<td>Notes</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>----------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Unemployment Insurance Modernization funds help states implement improvements to their Unemployment Insurance system</td>
<td>$7 billion</td>
<td></td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Unemployment Insurance increased benefits and extension</td>
<td>$35.8 billion</td>
<td>$180.2 million for benefit increase; Up to $1.19 billion for extension</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Changes to COBRA allows unemployed workers to reduce their premiums to continue receiving health care through their employer</td>
<td>$24.7 billion</td>
<td>Unknown</td>
</tr>
<tr>
<td>Housing, Infrastructure, and Economic Development</td>
<td>Community service employment for older Americans</td>
<td>$120 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Energy Efficiency Block Grant funds state and local efforts to reduce carbon emissions and improve energy efficiency techniques</td>
<td>$3.1 billion</td>
<td>Unknown</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Clean and Safe Drinking Water Revolving Funds go to state programs to improve water quality</td>
<td>$6 billion</td>
<td>$186.6 million</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>State Energy Programs fund the development and implementation of energy conservation plans</td>
<td>$3.1 billion</td>
<td>$54.9 million</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Weatherization Assistance Program helps low-income families improve the energy efficiency of their homes</td>
<td>$5 billion</td>
<td>$122.1 million</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Funds for the National Resource Conservation Service provides services such as flood and erosion protection</td>
<td>$340 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Habitat restoration funds</td>
<td>$230 million</td>
<td>Competitive grant</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Brownfields cleanup funds</td>
<td>$100 million</td>
<td>Competitive grant</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Superfund hazardous waste cleanup funds</td>
<td>$600 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Leaking underground storage tank cleanup funds to waive state matching fund requirements</td>
<td>$200 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Diesel emissions reduction funds</td>
<td>$300 million</td>
<td>Up to $1.7 million for the state grant</td>
</tr>
<tr>
<td>Department</td>
<td>Program Description / Funding Details</td>
<td>Budget (2013)</td>
<td>Type of Grant</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td>Energy and Environment</td>
<td>Smart Grid Investment Program provides competitive grants for utilities to improve electricity delivery</td>
<td>$4.5 billion</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Grants for the production of advanced batteries and components</td>
<td>$2 billion</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Alternative Fueled Vehicles Pilot Grant Program provides grants to state and local government to pay for alternative fuel vehicles</td>
<td>$300 million</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Transportation Electrification funds provide grants to electrified transportation projects</td>
<td>$400 million</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Fossil energy research and development funds</td>
<td>$3.4 billion</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Funding for advanced energy research</td>
<td>$1.6 billion</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Innovative Technology Loan Guarantee Program for support programs to reduce air pollution and greenhouse gases</td>
<td>$6 billion</td>
<td>Unknown</td>
</tr>
<tr>
<td></td>
<td>Funding for energy efficiency and renewable energy research</td>
<td>2.5 billion</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Electricity delivery and energy reliability funds to train workers where there is a shortage of candidates in these fields</td>
<td>$100 million</td>
<td>Competitive</td>
</tr>
<tr>
<td></td>
<td>Energy efficiency appliance rebate program to provide rebates to replacement appliances with more energy efficient alternatives</td>
<td>$300 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Human Services</td>
<td>Temporary Assistance to Needy Families provides direct assistance to low-income families</td>
<td>$5 billion</td>
<td>Up to $45.9 million</td>
</tr>
<tr>
<td></td>
<td>Supplemental Nutritional Assistance (food stamps)</td>
<td>$20 billion</td>
<td>$323.7 million</td>
</tr>
<tr>
<td>Human Services</td>
<td>Emergency Food Assistance Program administrative grants</td>
<td>$25 million</td>
<td>$1.7 million</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>Justice Assistance Grant program helps municipalities meet public safety costs such as training, personnel, and equipment</td>
<td>$2.25 billion</td>
<td>$40.8 million</td>
</tr>
<tr>
<td></td>
<td>Community Oriented Policing Services funds the hiring of public safety officers in municipalities</td>
<td>$1 billion</td>
<td>Competitive</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>Stop Violence Against Women grants</td>
<td>$225 million</td>
<td>$2.86 million</td>
</tr>
<tr>
<td>Category</td>
<td>Description</td>
<td>Budget Request</td>
<td>Allocation Amount</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>----------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>Internet Crimes Against Children programs to help state and local law enforcement prevent online victimization of children</td>
<td>$50 million</td>
<td>$774,492</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>Victim Compensation and Assistance provides three separate grant programs to fund victim assistance efforts</td>
<td>$100 million</td>
<td>$1.2 million prior to distribution of competitive $5 million grant</td>
</tr>
<tr>
<td>Education</td>
<td>Education block grant provides funding to K-12 public schools and state colleges and community colleges to make up for reduced state funding or to fund amounts indicated by existing funding formulas</td>
<td>$39.7 billion</td>
<td>$813 million</td>
</tr>
<tr>
<td>Education</td>
<td>Flexible block grant provides funding to states that can be spent on education and other government services</td>
<td>$8.87 billion</td>
<td>$181 million</td>
</tr>
<tr>
<td>Education</td>
<td>State Innovation Fund is a competitive grant program that will provide funds to states with innovative methods for improving educational achievement</td>
<td>$5 billion</td>
<td>Competitive grant</td>
</tr>
<tr>
<td>Education</td>
<td>Special education funds to help school districts meet the cost of special education</td>
<td>$12.2 billion</td>
<td>$298 million</td>
</tr>
<tr>
<td>Education</td>
<td>Title I increases to help school districts meet the costs of educating low-income children</td>
<td>$13 billion</td>
<td>$163.4 million</td>
</tr>
<tr>
<td>Education</td>
<td>Education technology grants</td>
<td>$650 million</td>
<td>$10.6 million</td>
</tr>
<tr>
<td>Education</td>
<td>Increasing Pell Grants</td>
<td>$25.2 billion</td>
<td>$363.5 million</td>
</tr>
<tr>
<td>Education</td>
<td>Federal work study</td>
<td>$200 million</td>
<td>$9.3 million</td>
</tr>
<tr>
<td>Education</td>
<td>Child Care Development Block Grant funds improvements to quality and access in child care systems</td>
<td>$2 billion</td>
<td>$23.9 million</td>
</tr>
<tr>
<td>Education</td>
<td>Child Support Enforcement funds provide increased reimbursements to states for child support enforcement activities</td>
<td>$1 billion</td>
<td>Up to $35.2 million</td>
</tr>
<tr>
<td>Education</td>
<td>Head Start funds early childhood education for low-income children</td>
<td>$2.1 billion</td>
<td>Unknown</td>
</tr>
<tr>
<td>Education</td>
<td>National School Lunch Program funds</td>
<td>$100 million</td>
<td>$1.4 million</td>
</tr>
</tbody>
</table>
### APPENDIX B

ESTIMATES OF MASSACHUSETTS RESIDENTS AFFECTED BY ARRA TAX AND BENEFIT PROVISIONS

<table>
<thead>
<tr>
<th>Category</th>
<th>Benefit or Tax cut</th>
<th>US Residents Affected</th>
<th>MA Residents Affected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing, Infrastructure and Economic Development</td>
<td>Modernization of state Unemployment Insurance system</td>
<td>8.4 million</td>
<td>533,902</td>
</tr>
<tr>
<td>Housing, Infrastructure and Economic Development</td>
<td>Unemployment Insurance benefit increase of $25 per week</td>
<td>17.9 million</td>
<td>503,000</td>
</tr>
<tr>
<td>Housing, Infrastructure and Economic Development</td>
<td>Extension of Unemployment Insurance</td>
<td>3.2 million</td>
<td>84,000</td>
</tr>
<tr>
<td>Housing, Infrastructure and Economic Development</td>
<td>Federal government will pay 65 percent of COBRA premiums</td>
<td>7 million</td>
<td>Unknown</td>
</tr>
<tr>
<td>Human Services</td>
<td>SNAP (Food stamps)</td>
<td>31.1 million</td>
<td>575,000</td>
</tr>
<tr>
<td>Taxation</td>
<td>Making Work Pay tax credit</td>
<td>110.7 million</td>
<td>2.45 million</td>
</tr>
<tr>
<td>Taxation</td>
<td>Child Tax Credit</td>
<td>2.9 million</td>
<td>155,000 children</td>
</tr>
<tr>
<td>Taxation</td>
<td>Higher Education Tax Credit</td>
<td>3.8 million</td>
<td>71,000</td>
</tr>
<tr>
<td>Taxation</td>
<td>One-time payment to retirees</td>
<td>56 million</td>
<td>1.2 million</td>
</tr>
</tbody>
</table>