

The American Recovery and Reinvestment Act of 2009: Federal Stimulus in Massachusetts

October 2009 update

EXECUTIVE SUMMARY

This report examines the effect of the American Recovery and Reinvestment Act (ARRA) on Massachusetts and its residents. It provides an overview of each of the major components of the federal stimulus, as well as detailed estimates of the amount of ARRA funds spent so far, along with the total amount coming to Massachusetts.

In total, MassBudget estimates that Massachusetts – both state and local governments, as well as non-governmental organizations and individuals - will receive \$17.7 billion through ARRA. This total is comprised of:

- **\$3.6 billion to help the state address the budget gap** - This amount includes increased federal reimbursements for Medicaid costs, as well as grants designed to protect public education, public safety and other state programs from potentially harmful budget cuts.
- **\$5.8 billion in tax and related benefits to residents** - ARRA includes a number of tax benefits designed to help working families, parents and low-income college students, as well as funds to prevent the federal Alternative Minimum Tax (AMT) from affecting many Massachusetts residents.
- **\$2 billion in other direct benefits to residents** - Direct benefits include improved unemployment compensation, Pell grants for college students, nutrition assistance for low-income families, and support for health insurance coverage for laid-off workers.
- **\$942 million in infrastructure repairs and improvements** - Massachusetts is receiving substantial funding through ARRA to improve roads, public transportation and municipal water systems around the state.
- **\$5.4 billion for workforce training, education, research, energy efficiency and other ARRA priorities** - ARRA provides funding to Massachusetts for programs including energy and health research, employment training, special education programs, improved weatherization of buildings. Some of these funds will be awarded to the state through grants, some will be awarded to businesses, schools and research centers through a competitive process and some will be distributed to eligible cities and towns.

Of this \$17.7 billion, Massachusetts and its residents have already benefitted from more than \$4.3 billion in ARRA funds since its passage in February of 2009. A sizable portion of these funds, \$1.8 billion, went to state government to reduce cuts and make targeted investments in health care, education and other important government services. In addition, residents have received at least \$2.5 billion in additional, direct benefits in the form of tax reductions, Pell Grants, unemployment benefits, and other programs. These numbers are based on currently available data and so likely understate the actual impact of ARRA. More complete official figures will become available later in October.

Spending patterns for the many ARRA programs differ substantially. This report looks at close to 50 major ARRA programs, focusing on how the Massachusetts allocation of ARRA funds is determined, the timeline for the receipt and use of those funds, and how the funds are to be used. While some funding sources are intended for longer term capital projects, the state has been very aggressive in using ARRA funds to address the state's budget gap and to limit cuts to public education. Absent ARRA spending, economic and fiscal condition in Massachusetts likely would be considerably worse than they are at present.

INTRODUCTION

In the seven months since its passage, the American Recovery and Reinvestment Act (ARRA) has helped the state address looming budget gaps, spurred needed capital investments, provided assistance to unemployed and low-wage workers and provided tax reductions for most residents.

In total, Massachusetts will receive approximately \$17.7 billion through ARRA programs, grants, and direct benefits. This report identifies \$1.8 billion of this amount that has already been used by the state to address the budget gap and fund other programs, and a further \$2.5 billion that residents have received through tax and other direct benefits. In truth, these amounts understate the full effect of ARRA in Massachusetts thus far, as for many of the bill provisions, such as increased Pell Grants and health insurance for the unemployed, estimates of spending so far are not yet available.¹

The state is collecting and evaluating the data necessary to calculate the effect of ARRA on jobs, but early estimates point to a sizeable impact. According to the Council of Economic Advisors report, "The Economic Impact of the American Recovery and Reinvestment Act of 2009," ARRA created or saved an estimated 27,400 jobs in Massachusetts.² These jobs include municipal police officers, fire fighters and teachers, as well as jobs on new construction and infrastructure projects around the state.

Even with these benefits, however, there has been significant debate in the press and among policy makers as to whether or not the state has been aggressive enough in using ARRA funds so far. Using differing measures of ARRA spending, Massachusetts has been alternately held up as being slow to use ARRA funds and as being a national leader in accessing ARRA funds to turnaround the state's economy.

Estimating the impact of the stimulus

This report estimates that \$17.7 billion in ARRA funds will directly benefit Massachusetts. This estimate was calculated by first looking at sources of stimulus funds where each state's share was either already known, or could be estimated. This total for Massachusetts was \$14.47 billion out of \$635 billion in stimulus programs. For the remaining \$152 billion in stimulus programs for which no state estimates are available, we assumed that Massachusetts will receive an amount proportional to the state's population as a percentage of the nation's population (2.14 percent), or \$3.25 billion. We used population to estimate Massachusetts' share of these ARRA funds because it is a simple and clear estimate that generally corresponds to the distribution of many stimulus programs and is somewhat more conservative than the 2.3 percent of funds that has already been allocated to Massachusetts.

¹ This report is based on information available as of Sept. 30, 2009. Later in October the state will be releasing additional financial documents on ARRA spending in Massachusetts.

² See Council of Economic Advisors report, *The Economic Impact of the American Recovery and Reinvestment Act*: http://www.whitehouse.gov/assets/documents/CEA_ARRA_Report_Final.pdf

Understanding this Report: Program Descriptions

This MassBudget report attempts to provide a more complete picture of how the various sources of ARRA funding are being used, and how they have affected the lives of Massachusetts residents. ARRA programs are broken down by policy area, with each major source of funding described in its own subsection. In addition, this report includes appendices which provide spending information for additional ARRA programs.

Like our earlier ARRA brief, this report is organized according to MassBudget categories,³ except for nutrition programs and tax and revenue components, which have been added to reflect major sources of ARRA funds.

As Massachusetts continues to address the effects of the financial crisis on the state budget, this report pays special attention to how various ARRA funds can and have been used to directly and indirectly address budget shortfalls. In addition, this update attempts to estimate the amount of ARRA funds that have already been spent in Massachusetts.

For each item, this report:

- Describes the total ARRA appropriation.
- Estimates the total funding level for Massachusetts over the course of the program.⁴
- Provides the funding allocation Massachusetts has received as of Sept. 30, 2009.
- Estimates the amount of the allocation that has already been spent.
- Describes what has happened over the past seven months and what is expected to happen in the months to come.
- Assesses whether the funds address the state's current budget crisis.
- Describes any restrictions on funds.

The question of whether or not specific 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. When examining the state budget impact of ARRA funds, this report attempts to highlight programs that can directly address the state's budget problems, as well as those programs that could have an indirect, yet sizable budget impact.

Understanding this Report: The Numbers

The American Recovery and Reinvestment Act (ARRA) called for unprecedented levels of transparency and detailed reporting on the spending of stimulus funds. Both the state and federal government have developed transparency websites that provide extensive information about the various programs funded by ARRA, the amounts being spent, and other detailed information. This transparency allows the type of analysis of

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://massbudget.org/doc/646/702>.

⁴ 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 report presents either a reasonable range or an upper bound for funding to Massachusetts.

spending contained in this report. At the federal level, each department files weekly Financial Activity Reports which detail amounts allocated and spent for each ARRA program in that department. In addition, the Massachusetts' Recovery website includes state financial information for each ARRA program benefitting the Commonwealth.

This report includes funding and state spending information for ARRA programs that have a large impact on Massachusetts. These figures were obtained and/or estimated using a number of sources, including:

- Financial activity reports for federal agencies.
- Massachusetts' Recovery website.
- Massachusetts State Comptroller reports.
- Information provided by state and federal agencies either online, in phone conversations, or through email,
- National research organizations.

Each source of ARRA funding included in this report is accompanied by a table with the following elements:

National Total – This is the total amount of funding for a program that ARRA provides. In many cases, this amount is a specific appropriation that is included in the original legislation. However, for tax programs and other direct benefits the total amount of spending is an estimate based on projected usage.

Estimated Massachusetts Total – This is the total amount Massachusetts is slated to receive from a given program. In many cases, these estimates are provided by the federal government based on a formula used for a given program. In cases where these totals will be known following upcoming state and federal reporting deadlines, we list this amount as “not yet reported.” When the amounts are unknown due to a competitive grant process or a funding system that has not yet been determined, we define the amount as “unknown.”

Amount Allocated to Massachusetts as of Sept. 30 – This is the total amount of funds that Massachusetts has access to as of Sept. 30, 2009. This is not meant to indicate how much money Massachusetts has spent, but instead how much the state has available to spend. For many programs based on contracts with outside entities, the amount allocated to the state far exceeds the amount spent so far, as contracts have not yet been finalized. For direct benefits to residents and tax reductions, this section is listed as not applicable because no funds are allocated before they are spent.

Amount Spent in Massachusetts as of Sept. 30 – This is an estimate of the total spending that has taken place in Massachusetts for any program. The cut-off point for all of these figures is Sept. 30, 2009. For items where no spending has yet taken place, the amount spent is listed as “0.” In some cases, where spending information will be available following upcoming state and federal reporting deadline, we have listed the amount spent as

ARRA Transparency and Reporting

The ARRA transparency system includes both continually updated reporting for some funding streams and quarterly reports for others. The first major quarterly reports are due October 10th and will not be available until later this month. For programs where the first spending reports are not available yet we list the amount spent in Massachusetts as “not yet reported” or “unknown” if it is unclear when the information will be available. In most of these cases the information will be available by the end of this month. At that point we will update this report to reflect the spending that has occurred for which reports do not yet exist.

“not yet reported.” In cases where information is unavailable or inconsistent, we have listed the amount spent as “unknown.”

Unless noted otherwise, all numbers in this report are current as of Sept. 30, 2009.

HEALTH CARE PROGRAMS

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

National Total	\$85.6 billion⁵
Estimated Massachusetts Total	\$2.6 billion⁶
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$1.1 billion⁷
Amount Spent in Massachusetts as of Sept. 30, 2009	\$1.1 billion⁸

Background

The American Recovery and Reinvestment Act (ARRA) 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. More than 1 million low-income or disabled children, families and elders receive health care in Massachusetts under the state’s MassHealth programs. The federal government usually reimburses Massachusetts for 50 percent of its Medicaid spending. The increase in the federal reimbursement rate will apply to the period from Oct. 1, 2008 through Dec. 31, 2010.

Every state will receive a 6.2 percentage point across-the-board increase in its FMAP.⁹ Any state with a recent increase in unemployment of at least 1.5 percentage points will also receive an additional increase in its FMAP.¹⁰

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 from what is known as the “minimum unemployment” rate for the base time period.¹¹

What has happened so far?

Since the passage of ARRA, Massachusetts has spent \$1.1 billion in enhanced FMAP funds to support a wide variety of health and safety net services within the state budget. Without these funds, there is a significant

⁵ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgasafetynet.htm>. This total does not include the portion of increased FMAP that will be available for adoption assistance and foster care (Title IV-E), discussed elsewhere in this report.

⁶ Calculations by Mass. Budget and Policy Center, based on information from the state Executive Office of Administration and Finance.

⁷ Calculations by Mass. Budget and Policy Center, based on adding one-quarter of FY 2010 estimated FMAP revenue to FY 2009 FMAP revenue.

⁸ Calculations by Mass. Budget and Policy Center, based on adding one-quarter of FY 2010 estimated FMAP revenue to FY 2009 FMAP revenue.

⁹ This across-the-board increase applies to non-DSH Medicaid spending (that is, spending that is not designated part of the Medicaid program that supports specific lump-sum payments to hospitals that serve a disproportional share of low-income or Medicaid-eligible persons), as well as to spending on Title IV-E foster care spending.

¹⁰ This additional increase does not apply to Title IV-E foster care spending.

¹¹ 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.

likelihood that the Commonwealth would have had to eliminate health care coverage for certain populations newly-insured under the state's health reform law, and would likely have eliminated certain health care benefits (such as dental care for adults) for persons still receiving coverage. This total consists of \$806 million spent in the Fiscal Year 2009 state budget, plus one-quarter of the \$1.223 billion estimated in the FY 2010 state budget.

Prior to ARRA, original (or base) Massachusetts FMAP was 50 percent. With the across-the-board increase as provided for in the federal stimulus legislation, the FMAP increases to 56.2 percent. However, because of recent increases in the unemployment rate here, the FMAP has increased even more. In Massachusetts, the original "base" unemployment rate was 4.3 percent. The unemployment rate in the fourth quarter of calendar year 2008 (the first quarter of federal Fiscal Year 2009) was already 6.1 percent, which is more than 1.5 percentage points above the base. For the first two quarters of federal FY 2009 (through March 2009), the Massachusetts FMAP increased to 58.8 percent. The FMAP calculation for the quarter ending June 2009 is based on a Massachusetts unemployment rate of 7.6 percent, so the Massachusetts FMAP for that quarter was 60.2 percent. For the fourth quarter of federal Fiscal Year 2009 (ending Sept. 30, 2009), because of a continued increase in the unemployment rate, the FMAP will increase to 61.2 percent.¹²

The other significant variable affecting the amount of increased FMAP received by Massachusetts is the level of Medicaid spending.¹³ 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.

Current estimates from the state Executive Office of Health and Human Services indicate that the amount of increased FMAP funding Massachusetts will receive over the course of FY 2009 through 2011 total approximately \$2.6 billion. This assumes that the unemployment rate in Massachusetts will exceed 7.9 percent for the remaining quarters funded by the stimulus bill, and assumes Medicaid spending will remain relatively constant at a total of \$10.5 billion annually.

Can these funds address the budget gap?

Yes. The state FY 2009 budget includes \$806.4 million in increased FMAP funds, and the FY 2010 budget counts on approximately \$1.2 billion. As of September 2009, the first quarter of the FY 2010 state fiscal year, Massachusetts has spent a total of \$1.1 billion in enhanced FMAP funds. Approximately \$611 million will be available for the FY 2011 state budget.

These billions of dollars of enhanced FMAP funds have been critical for the Commonwealth's fiscal stability. Without these funds, crucially important health care benefits such as adult dental services and adult day habilitation services would likely have been cut. Health care coverage for close to 40,000 legal immigrants ("aliens with special status") was also in jeopardy during the budget debate, and health insurance for this vulnerable population would likely have been completely eliminated without the enhanced FMAP funds.

¹² See U. S. Government Accountability Office, *Recovery Act: Funds Continue to Provide Fiscal Relief to States and Localities, While Accountability and Reporting Challenges Need to Be Fully Addressed*, Sept. 23, 2009, p. 8. <http://www.gao.gov/new.items/d091016.pdf>

¹³ 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. The federal Medicaid program reimburses Massachusetts for certain spending within the departments of children and families, mental health, developmental services and public health.

Moreover, because of restrictions on these funds (see below), Massachusetts has been prohibited from constricting program eligibility standards.

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.”

What is the timeline for the future?

For each quarter of the federal fiscal year, the federal government will recalculate the state’s enhanced FMAP rate, based on the current unemployment rate. Since the Massachusetts unemployment rate has continued to climb, it is likely that the enhanced FMAP will increase to its maximum of 61.6 percent. This increased reimbursement percentage will only be available through December 2010, after which time the FMAP rate will revert to 50 percent. The Commonwealth estimates that with these reimbursement rates, as of Oct. 1, Massachusetts will be available to draw an additional \$1.5 billion in enhanced FMAP funds – more than \$900 million which will be available for the remainder of FY 2010 and \$611 million of which will be available for use in the FY 2011 budget.

Helpful link:

Centers for Medicare & Medicaid Services for Temporary Increase of the Medicaid Federal Medical Assistance Percentage (FMAP) Implementation Plan:

http://www.hhs.gov/recovery/reports/plans/cms_section5001.pdf.

Temporary Increase in DSH (Disproportionate Share Hospital) Allotment

National Total	\$770.0 million¹⁴
Estimated Massachusetts Total	\$15.1 million¹⁵
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$7.5 million¹⁶
Amount Spent in Massachusetts as of Sept. 30, 2009	\$7.5 million¹⁷

Background

ARRA makes available to states an increase in the formula that reimburses funding for disproportionate share hospitals (DSH) for each of two years. A disproportionate share hospital is one that provides health care to a relatively large share of low-income people. The federal DSH program explicitly targets hospitals for which public sector health care payments are insufficient to cover the hospital’s costs. Under the federal stimulus legislation, in federal fiscal year 2009, Massachusetts would receive a 2.5-percent increase in its DSH allocation

¹⁴U. S. Department of Health and Human Services: http://www.hhs.gov/recovery/reports/plans/cms_section5002.pdf.

¹⁵ Calculations by Mass. Budget and Policy Center, estimating a 2.5 percent increase in FY 2010 from the total allocated in FY 2009 as indicated by U.S. Department of Health and Human Services, <http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=DSH>.

¹⁶ See U.S. Department of Health and Human Services Financial and Activity Report, from 9/25/09: <http://www.hhs.gov/recovery/reports/index.html>.

¹⁷ See U.S. Department of Health and Human Services Financial and Activity Report, from 9/25/09: <http://www.hhs.gov/recovery/reports/index.html>.

over the FY 2008 levels. In federal FY 2010, Massachusetts would receive an additional 2.5 percent increase above the FY 2009 level.

What has happened so far?

On March 20, the President announced a first-year DSH award of \$7.5 million to Massachusetts, bringing the Massachusetts annual allotment from \$298.8 million to \$306.2 million.

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.

It is important to note that Medicaid DSH support for hospitals works in conjunction with standard Medicaid reimbursement rates to support the provision of health care coverage for low-income and disabled persons in Massachusetts. Health care providers have historically argued that Medicaid reimbursement rates are insufficient to cover the costs of providing services to MassHealth members; these additional lump-sum payments alleviate some fiscal pressure on certain essential providers within the health care safety net.

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.

What is the timeline for the future?

For the federal FY 2010 (starting October 2009), Massachusetts would receive a 2.5 percent additional increase in DSH reimbursement. This additional \$7.7 million in additional DSH reimbursement would bring the total increase associated with ARRA to \$15.1 million.

Helpful links:

Centers for Medicare & Medicaid Services, Implementation Plan for the Temporary Increase in Medicaid DSH Allotments is here: http://www.hhs.gov/recovery/reports/plans/cms_section5002.pdf

The ARRA allocation for the Medicaid DSH Allotments: <http://www.hhs.gov/recovery/cms/dshstates.html>

Extension of the Qualifying Individual (QI) Program

National Total	\$562.5 million¹⁸
Estimated Massachusetts Total	Not yet reported
Amount Allocated to Massachusetts as of Sept. 30, 2009	0
Amount Spent in Massachusetts as of Sept. 30, 2009	0

Background

¹⁸ Federal Recovery website:

http://www.recovery.gov/transparency/agency/pages/agency_reporting5program.aspx?agency_code=75&progplanid=7555

The Qualifying Individual (QI) program provides federal funding to pay for the Medicare Part B premiums of low-income Medicare beneficiaries with incomes between 120 and 135 percent of the Federal poverty level. The MassHealth program pays for the costs of these premiums, and the QI program has been available to provide federal funding to cover the state costs. This program was scheduled to expire on Dec. 31, 2009, but ARRA extends this program until Dec. 31, 2010.

What has happened so far?

The extension of the QI program is scheduled for implementation in calendar year 2010. The funding allotments will be announced in the Federal Register.

Do these funds help fill the state budget gap?

Yes. The QI program in Massachusetts is one of the programs within what is known as the Medicare Buy-In program, and is part of the MassHealth program. These federal funds directly replace state tax dollars that would otherwise have been used within the MassHealth program to support health insurance for these low-income Massachusetts residents.

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 QI program. Massachusetts must use these funds consistent with MassHealth funding guidelines. This funding available to states is applicable for the period Jan. 1, 2010 through Dec. 31, 2010.

What is the timeline for the future?

The federal government will announce the QI allotment for Massachusetts in the Federal Register. Massachusetts will receive its funds through the regular quarterly grant award process.

Helpful links:

Centers for Medicare & Medicaid Services, Implementation Plan for the Extension of the Qualified Individual (QI) Program:

http://www.hhs.gov/recovery/reports/plans/cms_section5005.pdf

Community Health Center Construction and Expansion

National Total	\$2.5 billion¹⁹
Estimated Massachusetts Total	Unknown
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$37.7 million²⁰
Amount Spent in Massachusetts as of Sept. 30, 2009	Not yet reported

¹⁹ See Division A, Title VIII of the *American Recovery and Reinvestment Act of 2009*: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf.

²⁰ U.S. Department of Health and Human Services: <http://transparency.cit.nih.gov/RecoveryGrants/grantstate.cfm?state=ma>.

Background

Included in the federal stimulus bill is a provision to provide \$2.5 billion in competitive grants 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 will 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. In Massachusetts, 285 community health center sites provided primary care, preventive health care, and dental care, as well as mental health, substance abuse and other community-based services to more than 700,000 residents of the Commonwealth, regardless of their ability to pay.²¹

What has happened so far?

On March 2, the President announced the release of \$155 million of the total available, in order to support what the federal government refers to as “new access points” for primary and preventive care.²² In short, the intent of this money is to expand access to care by helping develop health care centers in previously-underserved communities. The North Shore Community Health Center in Salem, Mass., was awarded \$1.3 million in this competitive grant cycle to develop a new community health center in Gloucester. The federal stimulus dollars have also been targeted to communities where it is assumed that existing health care centers would benefit from capital investment. Since then, 36 health centers in Massachusetts have received a total of \$8.6 million to support what the federal government refers to as “increased demand” for their health care services, and 36 have received a total of \$27.7 for capital improvements.²³ Based on information currently available, it is likely that none of this money has yet been spent.

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.

What is the timeline for the future?

The Department of Health and Human Services will continue to release these funds through competitive grants over the course of the next fiscal year.

Helpful links:

Information about supports for community health centers:

<http://www.hhs.gov/recovery/hrsa/healthcentergrants.html>.

Implementation plan from the Health Resources and Services Administration for Community Health Centers Services: <http://www.hhs.gov/recovery/reports/plans/healthcentersservices.pdf>

Implementation plan from the Health Resources and Services Administration for Community Health Centers Capital: <http://www.hhs.gov/recovery/reports/plans/healthcenterscapital.pdf>.

²¹ Massachusetts League of Community Health Centers: <http://www.massleague.org/CHC/Overview.php>.

²² U.S. Department of Health and Human Services: <http://www.hhs.gov/recovery/hrsa/healthcentergrants.html>.

²³ U.S. Department of Health and Human Services: <http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=nap>,
<http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=IncreasedDemand>,
http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=HRSA_CIP.

Health Care Research

National Total	\$11.1 billion²⁴
Estimated Massachusetts Total	Unknown
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$503 million²⁵
Amount Spent in Massachusetts as of Sept. 30, 2009	Not yet reported

Background

The federal stimulus bill includes substantial funding for competitive grants for health care. 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 funding targeted to “comparative effectiveness research” to help health care consumers determine the relative merits of various treatment options.²⁶ The emphasis in funding will be on research in which there should be progress within the two years for which this funding is available. The health care sector is a major employer in Massachusetts, and this health care research funding, directed to academic medical centers as well as private medical research facilities creates employment for researchers, technicians and support personnel, and helps retain Massachusetts’ international reputation for leadership in scientific advancement.

What has happened so far?

This funding will be available through September 2010, but the federal government is making a concerted effort to distribute as many of these funds as possible in 2009. The grants continue to be awarded on a regular basis. Currently more than 1,200 grants worth \$503 million have been awarded to researchers in Massachusetts.

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 Health (NIH), and allocated according to competitive guidelines established by NIH.

What is the timeline for the future?

The federal government will continue to disburse these funds throughout federal Fiscal Year 2010.

Helpful link:

A description of projects supported by ARRA is here: <http://grants.nih.gov/recovery/>.

²⁴ See Division A, Title VIII of the *American Recovery and Reinvestment Act of 2009*: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf.

²⁵ Calculated by Mass. Budget and Policy Center, based on data as of 10/01/09, from *NIH Grants Funded by the American Recovery and Reinvestment Act of 2009* available at <http://report.nih.gov/recovery/index.aspx>.

²⁶ National Institutes of Health: <http://grants.nih.gov/recovery/>.

Development of Health Care Information Technology

National Total	\$2.0 billion²⁷
Estimated Massachusetts Total	Unknown
Amount Allocated to Massachusetts as of Sept. 30, 2009	0
Amount Spent in Massachusetts as of Sept. 30, 2009	0

Background

The federal stimulus bill creates a National Coordinator for Health Information and Technology in order to develop and implement health information technology protocols nation-wide. 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. There are two priority grant programs in ARRA that are under way to support the national implementation of electronic health records.

The first of these programs is the Health Information Technology Extension Program. This program will provide approximately \$598 million to ensure that comprehensive support is available to health technology users. The second program – the State Health Information Exchange Cooperative Agreement Program – will award \$564 million to support efforts for an electronic health information exchange.

What has happened so far?

Massachusetts, through its newly-created Massachusetts e-Health Institute, has submitted an application to become a regional extension center for health information and technology. Programmatically, the focus of the Institute would be to improve health information technology, particularly for underserved populations. These grants have not yet been awarded, although they are likely to be somewhere in the \$1 million to \$30 million range over the course of four years. The Institute has also applied to develop and oversee a state-wide Health Information Exchange for Massachusetts. These grants have also not yet been awarded, although they are likely to be somewhere in the \$4 million to \$40 million range over the course of four years.

Can these funds address the budget gap?

No. However, the state reduced its General Fund transfer into the e-Health Institute Trust by \$10 million in Fiscal Year 2009. Additional federal funding for health information technology could reduce the need for 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.

What is the timeline for the future?

The federal government expects to begin awarding grants in 2010.

Helpful link:

²⁷See Division A, Title VIII and Title XIII of the *American Recovery and Reinvestment Act of 2009*: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf

A description of the ARRA health information technology program is here:
<http://www.hhs.gov/recovery/programs/hitech/index.html>

Prevention and Wellness

National Total	\$1.0 billion²⁸
Estimated Massachusetts Total	Not yet reported
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$4.3 million²⁹
Amount Spent in Massachusetts as of Sept. 30, 2009	0³⁰

Background

The federal stimulus legislation provides \$1.0 billion in competitive grants 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 million to reduce “healthcare associated infections reduction strategies.”

What has happened so far?

The Massachusetts Department of Public Health submitted its grant application for immunization funding, and was awarded \$4.3 million in August. The Department intends to target these funds to increase the availability of vaccines for underinsured children, as well as vaccinations for low-income adolescents and adults.

Funding targeting health care associated infections has not yet been awarded.

Can these funds address the budget gap?

Possibly. 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 has already experienced significant service cutbacks as a result of the current fiscal crisis. Furthermore, Massachusetts has just implemented a charge to insurers to pay for universal immunizations for children, which previously had been paid for by state funds.

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

Up to \$3 million could be spent on the purchase of vaccines; up to \$1 million could be spent on certain operating costs, including the maintenance of an immunization registry.

What is the timeline for the future?

The grant cycle for these funds will be two years, ending Dec. 31, 2010.

Helpful links:

²⁸ See Division A, Title VIII of the *American Recovery and Reinvestment Act of 2009*: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf.

²⁹ U.S. Department of Health and Human Services: <http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=vaccines>.

³⁰ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgsafetynet.htm>.

Implementation plan from the Centers for Disease Control and Prevention for the Section 317 Immunization Program: <http://www.hhs.gov/recovery/programs/cdc/immunizationgrant.html>

Description of the Massachusetts immunization plan:

http://www.mass.gov/?pageID=eohhs2terminal&L=5&L0=Home&L1=Government&L2=Special+Commissions+and+Initiatives&L3=Recovery+and+Reinvestment+-+Safety+Net&L4=Frequently+Asked+Questions+About+the+Recovery+and+Reinvestment+Plan&sid=Eeohhs2&b=terminalcontent&f=eohhs_recovery_reinvestment_faq_immunizations&csid=Eeohhs2

Extended COBRA Benefits

National Total	\$24.7 billion³¹
Estimated Massachusetts Total	\$483 million³²
Amount Allocated to Massachusetts as of Sept. 30, 2009	Not applicable
Amount Spent in Massachusetts as of Sept. 30, 2009	Unknown

Background

The federal stimulus bill includes changes to the COBRA health insurance benefit, estimated to directly affect approximately 200,000 unemployed persons in Massachusetts. COBRA (the Consolidated Omnibus Budget Reconciliation Act of 1985) allows certain people to extend their employer-provided group health coverage, if they would otherwise lose that health insurance coverage due to certain events such as divorce or loss of a job. Prior to ARRA, persons participating in the COBRA program generally pay full cost for the continuation of their health care coverage. ARRA provides for the federal government to subsidize temporarily (for up to nine months and through a tax credit) 65 percent of the cost of monthly premium for workers who have been laid off during the period Sept. 1, 2008 through Dec. 30, 2010. The benefit of this change to unemployed workers is estimated at \$24.7 billion. If Massachusetts' total allocation is similar to its relative share of initial unemployment claims, residents of the Commonwealth will receive approximately \$483 million in COBRA benefits.

What has happened so far?

Massachusetts currently provides health insurance coverage for unemployed workers through its Medical Security Plan, which is financed by an assessment on employers. For families whose income is less than 400 percent of the poverty level, this program pays up to the entire costs of health care on a fee-for-service basis, or reimburses unemployment insurance claimants for up to 80 percent of their health insurance continuation costs (usually COBRA premiums).

Accordingly, for any enrollee taking advantage of the COBRA premium benefit and the Medical Security Plan, the Medical Security Plan then reimburses the claimant for 80 percent of their COBRA premiums. Accordingly, the federal government covers 65 percent of the costs, the state Medical Security Plan covers 28 percent of the costs, and the enrollee covers 7 percent of the costs.

³¹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgasafetynet.htm>.

³² Estimate by Mass. Budget and Policy Center, based on assuming that the share of COBRA funding allocated to Massachusetts will be proportional to Massachusetts' relative share of initial unemployment claims (1.9 percent of total initial claims in the first two quarters of FY 2009).

Can these funds address the budget gap?

No. Federal funds for the COBRA program remain separate from the state's budget, but the COBRA supplement relieves financial pressure on the trust fund that finances the Medical Security Plan.

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

Each claimant may receive the COBRA supplement for only up to nine months.

What is the timeline for the future?

The expansion of COBRA benefits extends only to persons who have been laid off during the period Sept. 1, 2008 through Dec. 30, 2010, and the benefits are only available for up to nine months.

Helpful link:

Information on the ARRA expansion of COBRA benefits: <http://www.dol.gov/ebsa/cobra.html>

NUTRITION AND FOOD PROGRAMS

Women, Infants and Children Supplemental Food (WIC) Program

National Total	\$500 million³³
Estimated Massachusetts Total	\$2.1 million³⁴
Amount Allocated to Massachusetts as of Sept. 30, 2009	0³⁵
Amount Spent in Massachusetts as of Sept. 30, 2009	0³⁶

Background

The WIC Program is a federally-funded program that provides nutrition education and subsidies for specific nutritious foods for low- and moderate-income pregnant women, infants and children. In Massachusetts, the program is funded with both federal and state dollars, and in June 2009 provided food to more than 129,000 persons.³⁷ Of the \$500 million available for the WIC program (Special Supplemental Nutrition Program for Women, Infants, and Children) provided by ARRA, \$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, although Massachusetts estimates that approximately \$2.1 million of this funding will come to the Commonwealth. There will also be \$100 million available for grants to states to improve information management systems.

What has happened so far?

The U. S. Department of Agriculture states that the WIC program has begun to distribute new food packages, which for the first time include fruits and vegetables, whole grain products and reduced-fat dairy options. It is

³³ See Division A, Title I of the *American Recovery and Reinvestment Act of 2009*: http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf

³⁴ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgasafetynet.htm>.

³⁵ Ibid.

³⁶ Ibid.

³⁷ See U.S. Department of Agriculture, monthly data: <http://www.fns.usda.gov/pd/wicmain.htm>.

not likely that in Fiscal Year 2009 Massachusetts' WIC program will need to draw on the ARRA WIC contingency reserve. Massachusetts has applied for a \$1 million grant to improve its information management system, but no awards have yet been made.

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?

These funds will supplement funding for existing WIC programs, and will be available to enhance operations.

What is the timeline for the future?

The WIC program expanded food options will be available within the coming months, and program funds should be awarded during federal FY 2010.

Helpful link:

Information on funding for the WIC program in ARRA: <http://www.fns.usda.gov/fns/recovery/default.htm>

Supplemental Nutritional Assistance Program – SNAP (Food Stamps)

SNAP Benefits

National Total	\$20 billion³⁸
Estimated Massachusetts Total	\$317 million³⁹
Amount Allocated to Massachusetts as of Sept. 30, 2009	Not applicable
Amount Spent in Massachusetts as of Sept. 30, 2009	\$74 million⁴⁰

SNAP Administration

National Total	\$300 million⁴¹
Estimated Massachusetts Total	\$6.7 million⁴²
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$3.3 million⁴³
Amount Spent in Massachusetts as of Sept. 30, 2009	\$829,000⁴⁴

Background

The Supplemental Nutritional Assistance Program (SNAP), previously called food stamps, provides aid to low-income individuals and families for meeting their nutritional needs. As of June 2009, 654,000 individuals in Massachusetts received SNAP benefits – a 27 percent increase from the previous year. In ARRA, \$20 billion

³⁸ USDA Recovery website: <http://www.fns.usda.gov/fns/recovery/recovery-snap.htm>.

³⁹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgasafetynet.htm>.

⁴⁰ See USDA Weekly Financial Report from Sept. 18, 2009: <http://www.recovery.gov/FAQ/Pages/DLCenter.aspx>.

⁴¹ USDA Recovery website: <http://www.fns.usda.gov/fns/recovery/recovery-snap.htm>.

⁴² See USDA Food & Nutrition Service, *American Recovery and Reinvestment Act State Administrative Funding Charts*, March 6 and April 10, 2009, p.2.

⁴³ See USDA Food & Nutrition Service, *American Recovery and Reinvestment Act State Administrative Funding Charts*, March 6, 2009, p.2.

⁴⁴ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgasafetynet.htm>.

has been allocated for increasing SNAP benefits by 13.6 percent through Fiscal Year 2013. Through this increase, the maximum monthly allotment for a family of four would increase by \$80.

In order to keep pace with rising costs due to inflation, SNAP benefits are adjusted annually using a Cost of Living Adjustment (COLA). In effect, ARRA provides an upfront COLA of 13.6 percent. This means that in the coming years recipients will not see an increase in their SNAP benefits until the sum of the yearly COLA increases exceeds 13.6 percent. Once the sum total of the yearly COLA increases reaches or exceeds 13.6 percent, then the usual schedule of SNAP increases will resume.

In addition, funds have also been allocated to help states administer their SNAP programs. Half of these administrative funds are intended for FY 2009 and half for FY 2010.

The share of recovery funds spent on SNAP benefit increases in Massachusetts depends on the number of people receiving SNAP benefits in the state. Those individuals and families who qualify for SNAP benefits will receive the increase automatically. The current estimate for the total Massachusetts allotment is \$317 million; however, if the number of SNAP recipients increases, the total amount of increased SNAP benefits in Massachusetts could exceed this estimate.

What has happened so far?

Since the passage of ARRA, \$74 million has been distributed in SNAP benefits to recipients in Massachusetts, as of Sept. 18, 2009.

In March 2009, the FY 2009 Administrative Grant was distributed to all states, which amounted to \$3.3 million in Massachusetts. The state has spent \$828,700 of the administrative funds, with an additional \$1.8 million reserved for use, which has not yet been spent. The total that has been spent on SNAP, in administrative aid and benefits, is \$74.9 million.

Can these funds address the budget gap?

No. The funds for benefit increases go directly to SNAP recipients in Massachusetts, so they do not address the budget gap.

Funds from the Administrative Grant may be spent on any administrative costs related to SNAP but are intended to be used on administrative costs directly related to ARRA. States that choose to supplant existing SNAP administrative costs with ARRA funds will receive less in federal funding for their SNAP programs overall, as described below.

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

The state may use the administrative grant for any cost related SNAP. Administrative funds for state SNAP programs are usually funded 50 percent by states with 50 percent matching funds from the federal government. If the state chooses to use the administrative grant funds for existing costs, rather than on administrative costs related specifically to ARRA, the state's 50 percent match of federal funding would be reduced by the amount of ARRA funds used to supplant current costs. This effectively would reduce the overall amount of SNAP administrative funding for the state.

Recipients of SNAP benefits will automatically receive the increase and SNAP eligibility requirements were not changed by ARRA. The benefits must be used on food items for the household, such as bread, fruits and vegetables, and meat. Excluded items include alcohol, tobacco, household products, and foods that will be eaten in the store.

What is the timeline for the future?

The FY 2010 administrative grant will be allocated to states in October 2009. As explained above, the ARRA increase in SNAP benefits will remain in effect until the yearly COLA amounts cumulatively exceed 13.6 percent. Recipients will continue receive an increase of benefits equal to the difference between the 13.6 percent benefit increase due to ARRA and the COLA for each year. When the cumulative increases in COLA exceed the 13.6 percent ARRA increase, the regular benefit schedule will resume. It is estimated that this will occur over the next five years, through FY 2013.

Helpful links:

Federal Recovery website, U.S. Department of Agriculture - Supplemental Nutrition Assistance Program (SNAP) Plan:

http://www.recovery.gov/transparency/agency/pages/agency_reporting5program.aspx?agency_code=12&progplanid=7756

U.S. Department of Agriculture: <http://www.fns.usda.gov/fns/recovery/recovery-snap.htm>

Elder Nutrition Programs

National Total	\$100 million
Estimated Massachusetts Total	\$2.1 million⁴⁵
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$2.1 million⁴⁶
Amount Spent in Massachusetts as of Sept. 30, 2009	Not yet reported⁴⁷

Background

With support from the federal government, the Commonwealth provides more than 8.5 million congregate meals (meals provided in a community setting such as in a senior center) and home-delivered meals to frail homebound elders.⁴⁸ The federal stimulus legislation provides \$100 million for nutrition services for elders, including \$65 million for congregate meals, and \$32 million for home-delivered meals.

What has happened so far?

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. This funding will help provide approximately 300,000 meals for needy elders.

Can these funds address the budget gap?

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

⁴⁵ See U.S. Department of Health and Human Services Financial and Activity Report, from 9/25/09:

<http://www.hhs.gov/recovery/reports/index.html>.

⁴⁶ See U.S. Department of Health and Human Services Financial and Activity Report, from 9/25/09:

<http://www.hhs.gov/recovery/reports/index.html>.

⁴⁷ Although it is not currently known whether these funds have been spent, the expectation is that they will be spent by the end of the current calendar year.

⁴⁸ Massachusetts Executive Office of Elder Affairs:

http://www.mass.gov/?pageID=eldersterminal&L=2&L0=Home&L1=Meals+and+Nutrition&sid=Elders&b=terminalcontent&f=nutrition_overview&csid=Elders

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.

What is the timeline for the future?

These funds have been awarded. The expectation is that these funds will all be spent by December 2009.

Helpful links:

U.S. Department of Health and Human Services, Elder nutrition services:

<http://www.hhs.gov/recovery/programs/aoa/arra.html>

Massachusetts Executive Office of Health and Human Services, Elder nutrition services:

http://www.mass.gov/?pageID=eohhs2terminal&L=5&L0=Home&L1=Government&L2=Special+Commissions+and+Initiatives&L3=Recovery+and+Reinvestment+-+Safety+Net&L4=Frequently+Asked+Questions+About+the+Recovery+and+Reinvestment+Plan&sid=Eeohhs2&b=terminalcontent&f=eohhs_recovery_reinvestment_faq_elders_nutrition_prog&csid=Eeohhs2

HUMAN SERVICES

Temporary Assistance for Needy Families (TANF) Emergency Funds

National Total	\$5 billion⁴⁹
Estimated Massachusetts Total	\$69 million⁵⁰
Amount Allocated to Massachusetts as of Sept. 30, 2009	Not applicable
Amount Spent in Massachusetts as of Sept. 30, 2009	\$48 million

Background

TANF is a block grant that helps provide direct government assistance to needy individuals and families in Massachusetts, through cash assistance, some forms of emergency shelter and employment assistance as well as child care subsidies.

The American Recovery and Reinvestment Act (ARRA) creates a temporary TANF Emergency Fund available to states for federal Fiscal Years 2009 and 2010. The maximum amount Massachusetts may receive in TANF Emergency Funds in federal FY 2009 and 2010 combined may not exceed 50 percent of its annual TANF block grant award (limiting Massachusetts' possible maximum award to \$229.7 million). However, this \$229.7 million cap applies to the amount Massachusetts receives in both ARRA TANF Emergency Funds and existing TANF Contingency Funds across FY 2009 and 2010. The Massachusetts Executive Office of Administration and Finance estimates that Massachusetts may be eligible to receive approximately \$149 million in TANF Contingency Funds over the next two years. This would mean that Massachusetts could receive up to \$80.7

⁴⁹ U.S. Department of Health and Human Services: http://www.hhs.gov/recovery/reports/plans/tanf_emergencyfund.pdf

⁵⁰ Massachusetts Executive Office of Administration and Finance estimates, as of 9/30/09, indicate the state will be reimbursed through the TANF Emergency Fund for approximately \$41 million in TANF costs for FY 2009 and \$28 million in FY 2010, totaling \$69 million.

million in TANF Emergency Funds for FY 2009 and FY 2010. This final funding amount will depend ultimately on how much state spending in certain areas increased over FY 2007 levels.⁵¹

What has Happened So Far?

The Massachusetts Executive Office of Administration and Finance estimates that the state will be reimbursed through the TANF Emergency Fund for \$41 million in FY 2009 TANF costs and approximately \$28 million in FY 2010 TANF costs. To approximate the amount of TANF Emergency Funds spent in Massachusetts to date, this report sums the \$41 million estimated award for FY 2009 and one quarter (or \$7 million) of the FY 2010 \$28 million award estimate. This approximates spending to date at \$48 million.

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 expenditures that the state would have had to cover itself. However, TANF Emergency Funds will only cover 80 percent of increased expenditures in the three categories outlined below.

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

Under the TANF Emergency Fund provision, Massachusetts may receive additional federal funding for 80 percent of increases in:

- TANF basic assistance caseload.
- TANF and related state spending for non-recurrent short-term benefits.⁵²
- TANF and related state expenditures for subsidized employment.

While the state must meet the TANF Emergency Fund criteria to receive these funds, the law allows a state to spend TANF Emergency Funds in any manner permissible under current TANF block grant funding requirements except that these funds cannot be transferred to the Social Services Block Grant (SSBG) or the Child Care Development Block Grant (CCDBG) program.

What is the timeline for the future?

Moving forward, the amount of TANF Emergency Funds available to Massachusetts will depend on the level of state spending on TANF services. If state spending increases due to rising TANF caseload or policy choices which increase support to low-income individuals impacted by the economic crisis, the state may be reimbursed for 80 percent of these costs through the TANF Emergency Fund, up to the estimated \$80.7 million cap. If the state receives this funding, it will have to determine how to fund the remaining 20 percent that the TANF Emergency Fund does not cover.

⁵¹ Since the \$149 million in estimated TANF Contingency Funds is counted against the amount in which the state may receive in TANF Emergency Funds, this leaves approximately \$80.7 million remaining within the designated \$229.7 million TANF Emergency Fund cap. However, the TANF Contingency Fund is finite. Some experts suggest that this fund may be depleted before Massachusetts is able to receive its estimated \$149 million. If this is the case, the state could be eligible to receive more than \$80.7 million in TANF Emergency Funds because the state would be eligible for more funds from the Emergency Fund in order to reach the \$229.7 million cap. Since accessing funds from the TANF Emergency Fund is more difficult because it has more restrictions than the Contingency Fund, it may be more challenging to maximize use of these funds.

⁵² Short-term non-recurring benefits may include various forms of emergency assistance or other one-time benefits for TANF recipients or other low-income families. Examples of short-term benefits may include one-time housing assistance (e.g. vouchers to pay back-rent, security deposits, moving expenses) or other services such as free tax preparation assistance or short term case management for families facing loss of benefits.

Helpful links:

Center on Budget and Policy Priorities, *Opportunities Under the TANF Emergency Fund Created by the Federal Recovery Act*: <http://www.cbpp.org/cms/index.cfm?fa=view&id=2878>

U.S. Department of Health and Human Services, Recovery Programs, Emergency TANF Fund: <http://www.hhs.gov/recovery/programs/tanf/index.html>

Catalogue of Federal Domestic Assistance, ARRA- Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program: <https://www.cfda.gov/index?s=program&mode=form&tab=step1&id=67a94e9ca758caacd41035af936af7b4&ck=1&au=&ck>

Title IV-E Adoption Assistance and Foster Care

National Total	\$806 million⁵³
Estimated Massachusetts Total	Not yet reported
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$5.9 million⁵⁴
Amount Spent in Massachusetts as of Sept. 30, 2009	\$4.1 million⁵⁵

Background

Title IV-E of the Social Security Act provides federal funds to states in order to support foster care and adoption-assistance services. More specifically, the Foster Care Program provides funds to states to provide safe and stable out-of-home care for at-risk children until they are safely returned home, placed permanently with adoptive families or placed in other permanent care arrangements. The Adoption Assistance Program provides funds to states to facilitate the timely placement of children, whose special needs or circumstances would otherwise make it difficult to place them with adoptive families.

Under the Recovery Act, an estimated \$806 million will be provided to states to increase the rate at which states are reimbursed by the federal government for required state maintenance payments on foster care, adoption assistance, and guardianship assistance.⁵⁶ The Recovery Act temporarily increases this federal reimbursement rate by approximately 6.2 percent.

What has happened so far?

The U.S. Department of Health and Human Service, Administration for Children and Families (ACF) has issued initial grants to increase the first and second quarter awards to eligible states for FY 2009. Through this FY 2009 award, Massachusetts has received \$1.5 million for adoption assistance and \$1.4 million for foster

⁵³ U.S. Department of Health and Human Services: <http://www.hhs.gov/recovery/reports/plans/fmap.pdf>

⁵⁴ See U.S. Department of Health and Human Services: Financial Activity Report from Sept. 25, 2009: http://www.recovery.gov/FAQ/Documents/HHS_Financial_and_Activity_Report_20090925.xls

⁵⁵ Ibid.

⁵⁶ This federal match is equal to the Federal Medical Assistance Percentages (FMAP) match rate. In addition to determining federal Medicaid payments to states, FMAPs are used in determining the amount of federal matching funds for state expenditures on assistance payments for certain social services, including Title IV-E adoptive and foster care services. ARRA temporarily increases the FMAP rate for these state Title IV-E programs.

care, for a total of \$2.9 million spent.⁵⁷ Financial reports released Sept. 25, 2009 by the U.S. Department of Health and Human Services indicate that an additional \$1.2 million has been spent by the state for a total of \$4.1 million.

Can these funds address the budget gap?

Yes. The increased federal rate of reimbursement may allow the state to free up other funding which could be used to mitigate service cuts resulting from the budget gap.

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

The Recovery Act temporarily increases the rate of reimbursement states receive from the federal government for costs already prescribed in statute which directly relate to a child’s board and care.

This reimbursement rate increase is effective Oct. 1, 2008 through Dec. 31, 2010.

What is the timeline for the future?

ACF will apply new increased reimbursement rates available under ARRA to subsequent quarterly awards through the first quarter of FY 2011 as required by the statute if all Medicaid eligibility requirements in ARRA are satisfied. The final award amounts will depend on the actual state expenditures which will then be matched at the new ARRA FMAP rate.⁵⁸

Helpful links:

U.S. Department of Health and Human Services: Title IV-E Adoption Assistance and Foster Care Programs: <http://www.hhs.gov/recovery/programs/acf/adoption-foster.html>

U.S. Department of Health and Human Services: *Recovery Act Implementation Plan: Temporary in Foster Care Permanency*: <http://www.hhs.gov/recovery/reports/plans/fmap.pdf>

Community Services Block Grant (CSBG)

National Total	\$1 billion⁵⁹
Estimated Massachusetts Total	\$24.9 million⁶⁰
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$24.9 million
Amount Spent in Massachusetts as of Sept. 30, 2009	\$4.9 million

Background

The Community Services Block Grant (CSBG) provides states with funds to alleviate poverty at the local level. State grant awards are determined by a formula based on each state's poverty population. The CSBG Act mandates that states pass through at least 90 percent of the funds allocated to the eligible entities. Eligible

⁵⁷ U.S. Department of Health and Human Services State Adoption and Foster Care Funding Table: Impact of Increased FMAP of Title IV-E Funding: First and Second Quarter Adjustments <http://www.hhs.gov/recovery/programs/acf/titleive.html>

⁵⁸ See discussion of FMAP rate on pages 5-7 of this report.

⁵⁹ U.S. Department of Health and Human Services: <http://www.hhs.gov/recovery/programs/acf/csbg.html>

⁶⁰ U.S. Department of Health and Human Services: <http://transparency.cit.nih.gov/RecoveryGrants/grantstate.cfm?state=MA>

CSBG grantees, largely Community Action Agencies, are required to provide services and activities addressing the needs of low-income individuals including employment, education, housing, nutrition, emergency services and/or health.

What has Happened So Far?

Massachusetts has received its \$24.9 million ARRA CSBG award which was determined under the same formula used for allocating regular CSBG annual appropriations. The Massachusetts Department of Housing and Community Development (DHCD) published a state plan in May 2009 to detail the disbursement of these new ARRA funds. DHCD will award \$24.6 million in these ARRA funds to 24 designated local Community Action Agencies via grants based on historical DHCD formulas. These local grant funds will be used by Community Action Agencies to support CSBG -funded activities which aim to encourage self-sufficiency and make sustainable improvements in the lives of low-income families and individuals by providing: employment and job skills training; food and nutrition assistance; youth development programming; fuel and energy assistance; domestic violence counseling; emergency assistance (such as temporary shelter, medical assistance, clothing, conflict resolution, etc.); affordable housing and homeownership programs; assistance to homeless and “at-risk” families and individuals; and transportation assistance.

Grants will be disbursed on a quarterly basis, in accordance with required ARRA reporting. Based on five quarters of payment, it is estimated that approximately \$4.9 million will be distributed to grantees by the end of the first quarter of FY 2010.

DHCD will also reserve \$249,226 to support benefit enrollment coordination activities.

Can these funds address the budget gap?

No. ARRA CSBG funds will not be used to directly address the budget gap, although the services supported by ARRA funds may mitigate service cuts which have resulted from the budget crisis.

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

States were required to submit an ARRA-specific CSBG state plan for approval. All expenditures funded through the ARRA CSBG program must meet all existing CSBG requirements.

What is the timeline for the future?

DHCD estimates indicate its 24 grantees will receive five equal payments for CSBG ARRA funds.

Helpful links:

U.S. Department of Health and Human Services, Administration for Children and Families, Community Services Block Grant: <http://www.acf.hhs.gov/programs/ocs/csbg/> and <http://www.hhs.gov/recovery/programs/acf/csbg.html>

Massachusetts Department of Housing and Community Development, *CSBG Recovery Act State Plan*: <http://www.mass.gov/Ehed/docs/dhcd/cd/csbg/csbgrecoveryactstateplan.pdf>

Child Support Enforcement

National Total	\$1 billion ⁶¹
Estimated Massachusetts Total	Not yet reported
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$4.6million ⁶²
Amount Spent in Massachusetts as of Sept. 30, 2009	\$1.9 million ⁶³

Background

State Child Support Enforcement (CSE) enhances the well-being of children by obtaining financial support for children through locating parents, establishing paternity, establishing child support obligations, and monitoring and enforcing such obligations. The federal government provides states with incentive payments based on their success in meeting certain child support performance goals. States are required to reinvest these federal incentive payments back into their CSE programs. Under a new provision in the Recovery Act, incentive funds that are expended are matched by the federal government. This allows states to claim additional federal reimbursements.

As such, Massachusetts' share of ARRA CSE funds will be issued quarterly based on the state's reported expenditures of child support enforcement incentive funds and subsequent federal claims.

What has Happened So Far?

According to the US Department of Health and Human Services, approximately \$4.6 million has been awarded to the state in ARRA CSE funds based on the state's reported expenditures.

To date, approximately \$1.9 million in ARRA CSE funds has been expended by the state.

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 other purposes.

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

ARRA Child support enforcement reimbursements are based on state spending of child support incentive funds in FY 2009 and FY 2010.

All spending must adhere to Massachusetts' approved state plan for CSE spending.

What is the timeline for the future?

Moving forward, Massachusetts' share of ARRA CSE funds will be issued quarterly based on the state's reported expenditures of child support enforcement incentive funds and subsequent federal claims.

⁶¹ See U.S. Department of Health and Human Services, *Recovery Act Implementation Plan, Child Support Enforcement*: <http://www.hhs.gov/recovery/reports/plans/childdupportenforcement.pdf>

⁶² See U.S. Department of Health and Human Services Financial Activity Report from Sept. 25, 2009: http://www.recovery.gov/FAQ/Documents/HHS_Financial_and_Activity_Report_20090925.xls

⁶³ U.S. Department of Health and Human Services, *Child Support Enforcement Program Quarter One Incentive Awards*: <http://transparency.cit.nih.gov/RecoveryGrants/grant.cfm?grant=ChildSupport>

States will be available to take advantage of this program through Sept. 30, 2010.

Helpful links:

U.S. Department of Health and Human Services: Administration for Children and Families: *American Recovery and Reinvestment Act (ARRA) Impact on Child Support Incentives:*

<http://www.hhs.gov/recovery/programs/cse/incentivesimpact.html>

U.S. Department of Health and Human Services, *Recovery Act Implementation Plan, Child Support Enforcement:* <http://www.hhs.gov/recovery/reports/plans/childsupportenforcement.pdf>

INFRASTRUCTURE, HOUSING AND ECONOMIC DEVELOPMENT

Public Transportation Infrastructure

National Total	\$8.4 billion
Estimated Massachusetts Total	\$319.7 million⁶⁴
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$199 million⁶⁵
Amount Spent in Massachusetts as of Sept. 30, 2009	\$1.4 million⁶⁶

Background

Public Transportation Infrastructure funds are intended to pay for public transportation capital projects which meet certain federal criteria. These projects do not require a state match. As with other American Recovery and Reinvestment Act (ARRA) funds, the state must submit quarterly reports on the use of funds, as well as additional reports on contract and project specifics.

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

What has happened so far?

So far, the state has identified more than \$160 million in mass transit projects to be funded through ARRA and has received approval for \$199 million from the Federal Transportation Administration (FTA). These projects are currently being reviewed by the FTA. Once approved, work on the projects will begin.

The 17 projects submitted to the FTA by the Massachusetts Bay Transportation Authority range in cost from less than \$1 million (ramp reconstruction for the Silver Line) to close to \$40 million for a double track project on the Fitchburg commuter rail line.

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.

⁶⁴ Federal Transit Administration ARRA funding table: http://www.fta.dot.gov/index_9289.html

⁶⁵ Executive Office of Transportation Recovery site: <http://www.eot.state.ma.us/recovery/downloads/transitProjects.pdf>

⁶⁶ See Federal Department of Transportation Financial Activity Report from Sept. 18, 2009: http://www.recovery.gov/FAQ/Documents/DOT_Financial_and_Activity_Report_20090918_updated.xls

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

The state has met the federal requirement to 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 allocated within one year.

Timeline for the Future

FTA approvals for the initial 17 projects, budgeted at \$164.1 million, were received around Sept. 1. Since that time, the state has continued to receive approval for additional projects.

As project work begins, the state will receive federal reimbursements for budgeted costs as they occur.

Helpful links:

Federal Transit Authority's Recovery Website: http://www.fta.dot.gov/index_9118.html

Massachusetts Executive Office of Transportation's Recovery website:
<http://www.eot.state.ma.us/recovery/>

Highway and Bridge Infrastructure

National Total	\$27.5 billion
Estimated Massachusetts Total	\$437.9 million⁶⁷
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$270 million⁶⁸
Amount Spent in Massachusetts as of Sept. 30, 2009	\$16.5 million⁶⁹

Background

Highway and Bridge Infrastructure 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.

Massachusetts highway and bridge infrastructure funds are based on the federal aid formula and are being 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.
- Maximization of job creation and economic benefit.

What has happened so far?

⁶⁷ Federal Highway Administration Highway and Bridge Infrastructure Fund distribution: <http://www.fhwa.dot.gov/legregs/directives/notices/n4510705t1.htm>

⁶⁸ Massachusetts Executive Office of Transportation (EOT) ARRA project list: http://www.eot.state.ma.us/recovery/project_list.pdf

⁶⁹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbtransportation.htm>

The state has made public \$270 million in highway and bridge projects that it plans to fund through Highway and Bridge Infrastructure Investment funds. Of this amount, \$112 million is slated for projects that have already been approved to start.⁷⁰ The remaining \$115 million is allocated for projects that are still in the bidding process. Once started, these projects will employ thousands of workers and will provide a number of needed improvements to the state's transportation infrastructure.

Can these funds address the budget gap?

Generally, no. Highway and bridge infrastructure funds will not reduce potential budget cuts because they will fund new capital transportation projects and will not be used to make up cuts in areas of state transportation funding. However, these funds can be used for projects that otherwise might have been funded through the state's new Accelerated Bridge program, a capital program to reduce the number of structurally deficient bridges in the state, possibly reducing debt service obligations in the future.

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. These set-asides are divided between areas with more than 200,000 residents, fewer than 200,000 residents, and fewer than 5,000 residents.

As noted earlier, all projects must be completed within 3 years and meet other federal standards.

Timeline for the Future

The state has met federal timeline requirements for obligating 50 percent of the highway and bridge infrastructure funds, meaning that the state will be able to access the remainder of its \$437 million allocation. These projects will also operate under the current procedure of being put out to bid, given Notice to Proceed with the federal government reimbursing the state for budgeted costs. All projects must be finished by the spring of 2012.

Helpful links:

Federal Highway Administration's Recovery website:

<http://www.fhwa.dot.gov/economicrecovery/index.htm>

Massachusetts Executive Office of Transportation's Recovery website:

<http://www.eot.state.ma.us/recovery/>

70. Massachusetts Executive Office of Transportation: http://www.eot.state.ma.us/recovery/project_list.pdf

Community Development Block Grant (CDBG)

National Total	\$1 billion
Estimated Massachusetts Total	\$29.1 million⁷¹
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$28.6 million⁷²
Amount Spent in Massachusetts as of Sept. 30, 2009	\$22,000⁷³

Background

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.

Each year, the CDBG helps thousands of households throughout the state. For example, in FY 2007, Boston's CDBG funds were used to:⁷⁴

- Assist in the construction of 26 homes.
- Assist in the rehabilitation of more than 9,000 homes and apartments.
- Create or retain 17 jobs through direct financial assistance to businesses.
- Provide tenant/landlord counseling services for 5,707 people.
- Improve parks and recreational facilities used by more than 2,031 low income residents.⁷⁵

Massachusetts' ARRA allocation for CDBG is approximately one quarter of its annual CDBG allocation, which the state will continue to receive.

CDBG funds are awarded based on its traditional distribution formula. The majority of funds (\$20 million) go directly to cities that have received CDBG funds in the past; Massachusetts receives a separate state allotment (\$9.1 million) 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.

What has happened so far?

The state and most municipalities eligible for CDBG funds have submitted applications to the federal Department of Housing and Urban Development (HUD) for approval.

So far, the state has been allocated its \$9.1 million award and \$18.1 million has been allocated directly to cities and towns. The state has already identified projects for funding that include:

- Foreclosure assistance.

⁷¹ U.S. Department of Housing and Urban Development (HUD) Recovery site: <http://www.hud.gov/recovery/cdbg.xls>

⁷² See HUD Financial Activity Report from Sept. 18, 2009:

http://www.recovery.gov/FAQ/Documents/HUD_Financial_and_Activity_Report_20090930.xls

⁷³ Ibid.

⁷⁴ HUD Community Development Block Grant library:

http://www.hud.gov/offices/cpd/communitydevelopment/library/accomplishments/reports/07_BostonMa.xls

⁷⁵ Ibid.

- Rehabilitation of elderly housing.
- Accessibility improvements for housing authority properties.

Grants will continue to be awarded throughout the fall as they are approved by HUD.

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. However, direct local aid to cities and towns was cut in both FY 2009 and FY 2010. Therefore, ARRA funds that increase money available to municipalities could offset some of the effects of these cuts.

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.

Timeline for the Future

Recipients must obligate 100 percent of funds by Sept. 30, 2011. All funds must be spent by Sept. 30, 2012.

Helpful link:

U.S. Department of Housing and Urban Development, Recovery website:
<http://www.hud.gov/recovery/cdblock.cfm>

Public Housing Capital Fund

National Total	\$3 billion⁷⁶
Estimated Massachusetts Total	\$81.9 million⁷⁷
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$81.9 million⁷⁸
Amount Spent in Massachusetts as of Sept. 30, 2009	\$3.1 million⁷⁹

Background

The Public Housing Capital Fund provides formula grants to public housing agencies to update and modernize federal public housing developments.

This fund provides direct allocations to over 60 housing authorities in Massachusetts to maintain federal housing projects. These agencies receive the funding based on a distribution formula developed by the federal Department of Housing and Urban Development (HUD). Funds will not be awarded to agencies that are

⁷⁶ U.S. Department of Housing and Urban Development, Total Allocation for Public Housing Capital Fund:
http://portal.hud.gov/portal/page/portal/RECOVERY/programs/CAPITAL_FORMULA_PORTLET/capitalfund.xls

⁷⁷ Ibid.

⁷⁸ See U.S. Department of Housing and Urban Development Activity Report from September 18, 2009:
http://www.recovery.gov/FAQ/Documents/HUD_Financial_and_Activity_Report_20090918.xls

⁷⁹ Ibid.

designated as “troubled” or agencies that do not want the funding. Money must be used for capital improvements and cannot be spent on rental or housing assistance.

What has happened so far?

In March, HUD provided Massachusetts public housing agencies with their full Public Housing Capital Fund allocations. Since that time, state housing authorities have spent \$3.1 million on improvements.

Can these funds address the budget gap?

No. The funding cannot be used to support state public housing, only federally-funded housing projects. 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 federal public housing structures, including making such structures more energy efficient. Funds can also be used to build new public housing in cases where the housing authorities determine that the existing housing stock cannot meet a community’s needs.

What is the timeline for the future?

Public housing agencies are required to spend at least 60 percent of the funds they receive within 2 years of receipt and the remaining 40 percent within 3 years. The Agencies must give priority to contracts that can be awarded within 120 days of receiving the money. Priority must also be given to rehabilitate empty units, to continue work that is already underway or for projects that are part of the authorities’ five year capital plans.⁸⁰

Helpful links:

U.S. Department of Housing and Urban Development, ARRA Public Housing Capital Fund
http://portal.hud.gov/portal/page/portal/RECOVERY/programs/CAPITAL_FORMULA

General Accounting Office, description of ARRA funding for public housing:
<http://www.gao.gov/recovery/pdfs/2009-july/gao-recovery-jul-2009-ma-appendix.pdf> pgs. 35-38

Tax Credit Assistance Recovery Grants

National Total	\$2.25 billion⁸¹
Estimated Massachusetts Total	\$59.6 million⁸²
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$59.6 million⁸³
Amount Spent in Massachusetts as of Sept. 30, 2009	0⁸⁴

⁸⁰ U.S. General Accounting Office: <http://www.gao.gov/recovery/pdfs/2009-july/gao-recovery-jul-2009-ma-appendix.pdf> pg. 34

⁸¹ U.S. Department of Housing and Urban Development: <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

⁸² U.S. Department of Housing and Urban Development:
http://portal.hud.gov/portal/page/portal/RECOVERY/programs/CAPITAL_FORMULA_PORTLET/capitalfund.xls

⁸³ See U.S. Department of Housing and Urban Development Activity Report from September 18, 2009:
http://www.recovery.gov/FAQ/Documents/HUD_Financial_and_Activity_Report_20090918.xls

⁸⁴ Ibid.

Background

The federal Low Income Housing Tax Credit (LIHTC) program is a federally-approved program that provides tax assistance to affordable housing projects including the production of new projects and preservation of existing affordable rental housing. ARRA will provide Massachusetts with \$59.6 million in funding for affordable housing projects that have stalled since the downturn in the credit markets in late 2008.

These funds are awarded to state housing agencies based on a federal formula. The state's Department of Housing and Community Development (DHCD) will provide funding through competitive grants to projects that are eligible for LIHTC funding.

What has happened so far?

This summer, the federal Department of Housing and Urban Development (HUD) approved the distribution of the state's full \$59.6 allocation of Tax Credit Assistance Recovery funds. As of mid-August, the state awarded \$45.5 million in funding to eight affordable housing projects in Massachusetts.⁸⁵ Projects include new developments as well as the rehabilitation of existing projects to provide housing to low-income families and individuals.

Once project details are completed, construction will begin within 45 days.

Can these funds address the budget gap?

No. The funds are awarded by the state directly 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 and individuals. 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 3 years.

What is the timeline for the future?

Housing agencies interested in receiving funds through this program must have applied by June of 2009. Of the \$59.6 million that Massachusetts received, the state has awarded over \$45.5 million to housing agencies around the state. The housing agencies, in turn, must commit no less than 75 percent of their grant by February 2010 and the remaining 25 percent within three years of the enactment of ARRA.

Helpful link:

U.S. Department of Housing and Urban Development, *ARRA's Tax Credit Assistance Program* at: <http://portal.hud.gov/portal/page/portal/RECOVERY/programs/TAX>

⁸⁵ Commonwealth of Massachusetts:

http://www.mass.gov/?pageID=gov3pressrelease&L=1&L0=Home&sid=Agov3&b=pressrelease&f=081809_housing_development_recovery_funds&sid=Agov3

Project Based Rental Assistance

National Total	\$2 billion⁸⁶
Estimated Massachusetts Total	\$119 million⁸⁷
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$119 million⁸⁸
Amount Spent in Massachusetts as of Sept. 30, 2009	\$70.6million⁸⁹

Background

The federal Section 8 program run by the Department of Housing and Urban Development (HUD), offers rental vouchers to help low-income families, elders, and people with disabilities to afford decent, safe, and sanitary housing in the private market. Federal housing vouchers subsidize rents for families and individuals who are eligible to receive assistance through the Section 8 program. In past years HUD has not kept pace with its obligations under this program causing payment disruptions to landlords of Section 8 rental units. ARRA provides Massachusetts with \$119 million which is enough funding to pay for a full 12 months of Section 8 subsidies. The purpose of this funding is to encourage landlords to continue to lease to low-income renters eligible for subsidies under the Section 8 program.

What has happened so far?

Under the Project Based Rental Assistance program the HUD will provide Massachusetts with over \$119 million to honor 207 low-income rental agreements throughout the state.

Can these funds address the budget gap?

No. The funds are for renewing existing 12-month contracts with landlords who provide Section 8 housing to low-income renters.

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 and are not to be used for state housing voucher programs.

What is the timeline for the future?

HUD began awarding funds to all landlords by the end of July of 2009 and the funds are expected to be fully spent by June 30, 2010.

Helpful links:

U.S. Department of Housing and Urban Development, ARRA's Project-Based Rental Assistance:
<http://portal.hud.gov/portal/page/portal/RECOVERY/PLANS/Section%20%20Project-Based%20Rental%20Assistance.pdf>

⁸⁶ U.S. Department of Housing and Urban Development: <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

⁸⁷ U.S. Department of Housing and Urban Development:

http://portal.hud.gov/portal/page/portal/RECOVERY/programs/PROJECT_PORTLET/pbra.xls

⁸⁸ See U.S. Department of Housing and Urban Development Activity Report from September 18, 2009:

http://www.recovery.gov/FAQ/Documents/HUD_Financial_and_Activity_Report_20090918.xls

⁸⁹ Ibid.

Neighborhood Stabilization Project

National Total	\$2 billion⁹⁰
Estimated Massachusetts Total	Not yet reported
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$20 million⁹¹
Amount Spent in Massachusetts as of Sept. 30, 2009	\$0

Background

The Neighborhood Stabilization competitive grant program is designed to promote stabilization for neighborhoods and communities with high rates of foreclosure.

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

What has happened so far?

Eligible entities have filed their applications for Neighborhood Stabilization funds. Applications will be awarded in February 2010.

Can these funds address the budget gap?

No.

What requirements and/or restrictions are placed on receiving and spending the funds? What is the timeline for the future?

Applicants eligible for this program include states, local governments and non-profits which can submit proposals with for-profit entities. Applications for these competitive grants were due in July of 2009 and HUD expects to announce awards by February of 2010.⁹² In general, applicants must demonstrate capacity to execute a specific neighborhood stabilization plan that will use 50 percent of the money within 2 years and the remaining funds by the end of 3 years after the award of the grant.

Homelessness Prevention

National Total	\$1.5 billion⁹³
Estimated Massachusetts Total	\$44.8 million⁹⁴
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$44.6 million⁹⁵
Amount Spent in Massachusetts as of Sept. 30, 2009	\$0⁹⁶

⁹⁰ U.S. Department of Housing and Urban Development: <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

⁹¹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgahousing.htm>

⁹² U.S. Department of Housing and Urban Development:

[http://portal.hud.gov/portal/page/portal/RECOVERY/PLANS/Neighborhood%20Stabilization%20Program%20\(NSP\).pdf](http://portal.hud.gov/portal/page/portal/RECOVERY/PLANS/Neighborhood%20Stabilization%20Program%20(NSP).pdf)

⁹³ U.S. Department of Housing and Urban Development: <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

⁹⁴ U.S. Department of Housing and Urban Development:

http://portal.hud.gov/portal/page/portal/RECOVERY/programs/HOMELESSNESS_PORTLET/Homeless%20Prevention%20Recovery%20Web%20Final.xls

⁹⁵ See U.S. Department of Housing and Urban Development Activity Report from September 18, 2009:

http://www.recovery.gov/FAQ/Documents/HUD_Financial_and_Activity_Report_20090918.xls

⁹⁶ Ibid.

Background

ARRA includes the Homelessness Prevention and Rapid Re-Housing Program which provides financial assistance to help families and individuals from becoming homeless and to help homeless families and individuals find permanent housing. Of the \$1.5 billion appropriated to this program, Massachusetts will receive a statewide award of \$18.4 million, while 20 cities in the state will receive \$26.1 million total in local awards. These funds will provide short- or medium-term rental assistance and housing relocation services that help people stay in their homes and provide financial assistance with security payments, utility bills and other short-term housing and moving costs.

HUD requires that funding be targeted to those recipients that are most in need of the funds, are most likely to find permanent housing, or are best able to remain in permanent housing with the help of this temporary assistance.⁹⁷

What has happened so far?

The federal Department of Housing and Urban Development (HUD) allocates funding by the formula that it uses to distribute funds to states through its Emergency Shelter Grant Program (ESG).

Between August and September HUD allocated \$44.6 million in homelessness funds to the state and to cities eligible for ESG grants. In September 2009 the state's Department of Housing and Community Development (DHCD) awarded \$17.9 million of the ESG money it received from HUD to 20 non-profits around the state. The non-profits will spend two-thirds of this money on providing homeless prevention and rapid re-housing services to families and the remaining one third on assisting individuals who are homeless or at risk of losing their homes.⁹⁸

Can these funds address the budget gap?

Since the state has reorganized its homelessness assistance programs to help families and individuals find permanent housing, this federal money can be used for this effort. The funding, however, cannot pay for temporary shelter assistance for homeless families and individuals.

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

As of April, 2009, DHCD is providing assistance to 2,704 homeless families and almost 3,000 individuals. The money provided through ARRA will help supplement the state's efforts to help these homeless families and individuals find permanent housing in addition to helping families and individuals, who are at risk of losing their homes, to stay in permanent housing. The money can be used to help pay overdue rent or utility bills, providing assistance in helping individuals and families remain in current housing or to find new housing, help pay for one-time costs in relocation such as security deposits and moving costs.

What is the timeline for the future?

Grant recipients are required to spend these funds on approved uses within 3 years.

⁹⁷ U.S. Department of Housing and Urban Development:

<http://portal.hud.gov/portal/page/portal/RECOVERY/PLANS/Homelessness%20Prevention%20and%20Rapid%20Re-Housing%20Program.pdf>

⁹⁸ Massachusetts Executive Office of Housing and Economic Development, Funding Commitments Housing, Homelessness Prevention and Rapid Re-Housing Program:

http://www.mass.gov/?pageID=eheadterminal&L=5&L0=Home&L1=Start%2c+Grow+%26+Relocate+Your+Business&L2=Financing+%26+Funding&L3=Recovery+and+Reinvestment+-+Housing&L4=Funding+and+Contracts&sid=Ehed&b=terminalcontent&f=dhcd_arra_2009_08_21_funding_commitments&csid=Ehed

Helpful links:

U.S. Department of Housing and Urban Development, ARRA's Homeless Prevention Fund:
<http://portal.hud.gov/portal/page/portal/RECOVERY/programs/HOMELESSNESS>

Workforce Development Programs

National Total	\$2.99 billion
Estimated Massachusetts Total	\$56.1 million⁹⁹
<i>Adult Unemployment and Training Activities</i>	\$10.1 million
<i>Youth Activities (including summer jobs)</i>	\$24.8 million
<i>Dislocated Worker Employment and Training</i>	\$21.2 million
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$56.1 million¹⁰⁰
<i>Adult Unemployment and Training Activities</i>	\$1.9 million
<i>Youth Activities (including summer jobs)</i>	\$11.9 million
<i>Dislocated Worker Employment and Training</i>	\$3.7 million
Amount Spent in Massachusetts as of Sept. 30, 2009	\$17.4 million¹⁰¹

Background

These three forms of Workforce Investment Act (WIA) funds go to providing employment for at-risk youth, as well as employment services available at regional One Stop Career centers around the state.

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 Workforce Investment Act funds in ARRA are for three major purposes:

Adult Employment and Training Activities – primarily provided through local One Stop Career Centers, these funds go to job search, career counseling, and targeted training programs that are offered in a number of settings, including community colleges.

Youth Activities – these funds support youth training and employment programs around the state. These ARRA funds are focusing on employment for at-risk youth

Dislocated Worker Employment and Training Services – this programs funds basically the same services as the adult employment and training services, but is targeted specifically for workers who have been laid off.

In recent years, WIA funds in Massachusetts have assisted close to 20,000 residents each year who receive career counseling, receive employment training and search for and find jobs in their chosen field. In providing these services, Massachusetts' workforce development programs have exceeded goals for worker and employer satisfaction with the services provided.¹⁰²

⁹⁹ US Department of Labor funding map: <http://www.dol.gov/recovery/map/map-eta.htm>

¹⁰⁰ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgalaborworkforce.htm>

¹⁰¹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgblaborworkforce.htm>

¹⁰² See Employment and Training Administration annual report:

http://www.doleta.gov/performance/results/AnnualReports/PY2007/MA_Annual%20Report_Title-I_2008.pdf

What has happened so far?

The state has received its allocation for these three WIA programs totaling \$56.1 million. The majority of these funds (\$42.4 million) have then been redistributed to the state's 15 Workforce Investment Boards (WIBs) which provide job search, training and retraining services through One Stop Career Centers. As of Sept. 14, the following funds have been spent:

- Adult Employment and Training Activities – \$1.6 million. The state is using the majority of adult employment funds on education and training.
- Youth Activities – \$11.2 million. These funds have been utilized, along with other state and federal funds (including public safety Justice Assistance Grant funds), to make available approximately 10,000 summer jobs available for youth around the state.
- Dislocated Worker Employment and Training Services – \$3.3 million. As with Adult Employment and Training Activities, the majority of these funds is used on education and training.

Can these funds address the budget gap?

Mostly, no. However, the Youth Activities funds have been used to provide continued support for summer jobs programs for at-risk youth. Without these, and other ARRA funds, these summer jobs programs would likely not have continued in FY 2010. The majority of the funds, however, will be distributed to regional workforce investment areas and spent at the local level.¹⁰³

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

WIA restrictions on the core and supplemental services that can be provided through these three programs remain in effect for the supplemental ARRA allocations. Both the state and local WIBs are responsible for tracking the use of these funds as well as compiling data on job placements made through these programs.

What is the timeline for the future?

WIA funds can be spent through June 30, 2011. As is clear from available spending data, a much higher percentage of Youth Services funds have been expended already, compared to the two adult employment services programs. This higher level of Youth Services spending is the result of a concerted effort on the part of the state and WIBs to fund close 10,000 youth jobs in 2009.

Spending within adult and dislocated worker employment services is proceeding at a more even pace, with approximately 15 percent of the total allocation having been spent in the first few months of the two year period WIB's are able to spend the funds.

Helpful link:

U.S. Department of Labor: <http://www.dol.gov/recovery/>

¹⁰³ Employment and Training Administration directive: <http://wdr.doleta.gov/directives/attach/TEGL/TEGL13-08.pdf>.

Unemployment Insurance Modernization

National Total	\$7 billion¹⁰⁴
Estimated Massachusetts Total	\$162.7 million¹⁰⁵
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$54.2 million¹⁰⁶
Amount Spent in Massachusetts as of Sept. 30, 2009	\$0¹⁰⁷

Background

The unemployment insurance system, which was established in the 1930s as a safety net for workers during economic downturns, has not kept pace with changes in the workforce. Workers have increasingly been employed at low-wage, part-time jobs and, particularly in the current economic recession, have been unemployed for longer periods of time.¹⁰⁸ The Unemployment Insurance (UI) modernization funds are awarded to states that make certain improvements to their unemployment insurance systems to help address these disparities. The reforms would extend benefits to a larger share of unemployed workers. Furthermore, states are provided with aid in order to properly administer these changes and accommodate the influx of workers applying for unemployment benefits.

What has happened so far?

Massachusetts is now eligible for up to \$162.7 million in UI modernization funds, the maximum amount the state could receive.

The state already had adopted the Alternative Base Period (see below) and is qualified for and has been allocated \$54.2 million. None of this has been spent to date. Massachusetts has also enacted two additional required reforms—extending the benefits for training and increasing benefits for workers caring for dependent family members—so has qualified to receive the remaining two-thirds of funding.

Can these funds address the budget gap?

No. States receiving these funds must use them 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?

States must enact a series of reforms in order to receive UI modernization funds. States qualify for the first third of the funds by adopting an Alternative Base Period to calculate worker benefits, meaning that workers' most recent wages are used to determine UI eligibility. Massachusetts has already fulfilled this requirement and has been allocated the first portion of UI modernization funds (\$54.2 million) accordingly.

In order to qualify for the remaining two-thirds of the modernization funds, states must enact two out of the four following reforms outlined in ARRA:

- Providing benefits to persons seeking part-time work.

¹⁰⁴ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgasafetynet.htm>.

¹⁰⁵ Ibid.

¹⁰⁶ See U.S. Department of Labor, Weekly Financial Report from September 18, 2009: <http://www.recovery.gov/FAQ/Pages/DLCenter.aspx>

¹⁰⁷ Ibid.

¹⁰⁸ National Employment Law Project: http://www.nelp.org/index.php/site/issues/category/modernizing_unemployment_insurance

- Providing benefits for people leaving work due to family emergencies.
- Providing 26 weeks of benefits for laid-off workers requiring training.
- Providing increased benefits to workers who need to care for dependent family members.

Massachusetts had already adopted the Alternative Base Period and enacted the Dependency Allowance prior to ARRA. The third reform, extending UI benefits for training to 26 weeks, was enacted through the state's Economic Stimulus Act in July 2009.

The Alternative Base Period allows workers to use more recent wages than is usually allowed to determine if they have earned wages to qualify for unemployment benefits. It is estimated that one in five workers who do not qualify using the standard base period end up qualifying for benefits using the Alternative Base Period.¹⁰⁹

The Dependency Allowance provides an additional safety net for workers who are the primary wage earners in families with dependent children. UI benefits only replace a portion of lost income due to unemployment. For families, it can be especially difficult to meet basic needs when a wage earner loses their job. This increase in UI benefits is meant to offset the economic hardships faced by families with dependent children when a parent or wage earner becomes unemployed.

Finally, extending benefits to 26 weeks for workers enrolled in approved training programs allows workers to get trained and acquire new skills for re-employment. Particularly in areas where certain sectors are in decline, retraining can help workers obtain the skills needed to prevent future layoffs. In the long run, providing skills and training to unemployed workers ensures a more stable future workforce.

What is the timeline for the future?

The last date that a state can submit an application for either the first third of modernization funds or the second two-thirds, based on the reforms, is Aug. 22, 2011.¹¹⁰ Massachusetts has already submitted the application to receive the remaining two-thirds of funding. The federal government has 30 days to review the application, and an additional 10 days to allocate the funds. According to this timeline, Massachusetts should be allocated the remaining funds by November 2009.

Helpful links:

National Employment Law Project: *The Unemployment Insurance Modernization Act: Filling the Gaps in the Unemployment Safety Net While Stimulating the Economy*: <http://www.nelp.org/page/-/UI/uima.fact.sheet.jan.09.pdf?nocdn=1>

¹⁰⁹ National Employment Law Project: <http://www.nelp.org/page/-/UI/Alternative%20Base%20Period.pdf>

¹¹⁰ National Conference of State Legislatures: <http://www.ncsl.org/documents/standcomm/sclaborecon/DOLQandA031609.pdf>

Unemployment Insurance Increased and Extended Benefits

National Total	\$35.8 billion
Estimated Massachusetts Total	Not applicable
Amount Allocated to Massachusetts as of Sept. 30, 2009	Not applicable
Amount Spent in Massachusetts as of Sept. 30, 2009	\$815.6 million

Unemployment Insurance Increased and Extended Benefit Administration

National Total	\$500 million ¹¹¹
Estimated Massachusetts Total	\$11.6 million ¹¹²
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$11.6 million ¹¹³
Amount Spent in Massachusetts as of Sept. 30, 2009	\$0 ¹¹⁴

Background

To respond to the influx of unemployed workers seeking benefits, ARRA includes four funding streams to expand and increase unemployment benefits. Together, these funds are aimed at increasing the ability of states to respond to the record numbers of workers filing for unemployment benefits. The major provisions within the UI benefit increases and extensions include:

1. **Extension of the Emergency Unemployment Compensation (EUC) Program**, which postpones the expiration of this program from March 2009 to Dec. 31, 2009. Under this program, workers receive an additional 20 or 33 weeks of added benefits, depending on the state's unemployment rate.
2. **100 percent Federal Funding for the Extended Unemployment Benefits (EB) Program**, which provides an additional 13 weeks of unemployment benefits in states experiencing high unemployment, including Massachusetts. This program is usually funded 50 percent by state UI trust funds and 50 percent by the federal government.
3. **Increased UI Benefits by \$25 per week per worker**, which are automatically included in each worker's weekly UI benefits.
4. **Increased UI Administrative Funding** to states for administering their UI programs.

Over the past year, the number of UI claimants in Massachusetts has increased by 67 percent. These benefits directly affect approximately 133,000 individuals in Massachusetts claiming unemployment benefits.

What has happened so far?

Because unemployment benefit increases are distributed directly to individuals, the total spent will be determined by the total number of individuals claiming these benefits. Thus, there is no defined allocation for

¹¹¹ U.S. Department of Labor Recovery website: <http://www.dol.gov/recovery/implement.htm>

¹¹² Unemployment Insurance Program Letter 14-09: <http://wdr.doleta.gov/directives/attach/UIPL/UIPL14-09.pdf>

¹¹³ See U.S. Department of Labor, Weekly Report, Sept. 25, 2009:

http://www.recovery.gov/FAQ/Documents/DOL_Financial_and_Activity_Report_20090930.xls

¹¹⁴ Ibid.

these portions of ARRA and the only allocation outlined for unemployment insurance increases is related to administrative funding.

Massachusetts residents have received a total of \$815.6 million so far due to benefit extensions and increases:¹¹⁵

- \$523.6 million through extension of the EUC program.
- \$120.4 million through the federal funding for the EB program.
- \$171.5 million through the \$25 per week benefit increase.

The total allocation for administrative aid to Massachusetts is \$11.6 million, though none of this has been spent yet.

Can these funds address the budget gap?

No, these funds are distributed directly to recipients of unemployment benefits.

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

The extension of the EUC program is determined by the unemployment rate of each state. In most states, with unemployment rates exceeding 6 percent, workers have received an additional 33 weeks of benefits. In states with less than 6 percent unemployment, benefits have been extended by 20 weeks.

The EB benefits kick in after workers have exhausted their unemployment benefits, and there is no distinction in the amount of benefits they receive.

States must have an Insured Unemployment Rate – the percentage of unemployed workers claiming unemployment benefits – of 5 percent in order to trigger extended benefits. This rate must continue to increase in order to keep the extended benefits enacted.

There are no requirements for the increase of \$25, as this will be automatically added to workers' weekly benefits.

There also are no requirements for states to receive administrative funding. However, states must use the administrative funding for:

- Paying for costs incurred through implementing and administering the required state laws.
- Improving outreach to individuals who might be eligible for benefits.
- Improving operations relating to unemployment benefits and unemployment tax.
- Providing staff-assisted re-employment services for benefit recipients.

What is the timeline for the future?

¹¹⁵ All estimates obtained from U.S. Department of Labor. Weekly Report, September 25, 2009:

http://www.recovery.gov/Transparency/agency/reporting/agency_reporting2.aspx?agency_code=16&dt=09/25/2009

Benefits for the extended EUC program, federal funding for the EB program, and the \$25 increase in weekly benefits will expire on Dec. 31, 2009. Congress can elect to further extend these programs.

The administrative aid has already been distributed to states' unemployment insurance trust funds.

Helpful links:

U.S. Department of Labor: <http://www.dol.gov/recovery/implement.htm>

National Employment Law Project: <http://www.nelp.org/page/-/UI/ARRAConcise.pdf>

National Conference of State Legislators: *American Recovery and Reinvestment Act: Understanding the Unemployment Provisions:*

<http://www.ncsl.org/documents/standcomm/sclaborecon/DOLQandA031609.pdf>

ENERGY AND ENVIRONMENT

Energy Efficiency Block Grants

National Total	\$3.2 billion¹¹⁶
Estimated Massachusetts Total	\$42.2 million¹¹⁷
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$26.7 million¹¹⁸
Amount Spent in Massachusetts as of Sept. 30, 2009	Not yet reported

Background

The Energy Efficiency and Conservation Block Grant (EECBG) program provides money to cities and towns to improve energy efficiency and reduce fossil fuel emissions. Funding through the EECBG program supports efforts such as energy audits, energy retrofits for residential and commercial buildings and development of energy efficient building codes. The money can also be used to promote more energy efficient transportation efforts.

What has happened so far?

ARRA appropriates \$3.2 billion for the Energy Efficiency and Conservation Block Grants. Of Massachusetts' expected \$42.2 million allocation, the state has so far received \$11.1 million.

Can these funds address the budget gap?

No. Grants through this program are distributed to cities and towns.

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

¹¹⁶ U.S. Department of Energy: http://apps1.eere.energy.gov/wip/block_grants.cfm#allocated

¹¹⁷ Commonwealth of Massachusetts, Executive Office of Energy and Environmental Affairs:

http://www.mass.gov/?pageID=eoeeterminal&L=3&L0=Home&L1=Energy%2c+Utilities+%26+Clean+Technologies&L2=Energy+Efficiency&sid=Eoea&b=terminalcontent&f=doer_arra_eecbg&csid=Eoea

¹¹⁸ U.S. Department of Energy: <http://www.energy.gov/recovery/documents/recoveryactfunding.xls>

The funding is divided into two allotments. Of the \$42.2 million that the state will receive \$27.5 million will be available to cities and towns with populations exceeding 35,000 and the \$14.8 million for cities and towns with populations of fewer than 35,000.

What is the timeline for the future?

Municipalities with populations greater than 35,000 applied directly to the federal Department of Energy (DOE) for funding by June 25, 2009. The Massachusetts Department of Energy Resources, meanwhile, applied on behalf of the municipalities with fewer than 35,000 residents and will then sub-grant almost \$9 million of the \$14.8 million to these communities. The DOE must approve the funding within 120 days which means that the state and municipalities should receive their awards by October of 2009.

Helpful links:

U.S. Department of Energy, Energy Efficiency and Conservation Block Grant Program:
http://apps1.eere.energy.gov/wip/block_grants.cfm#eligible

Massachusetts Department of Energy Resources, ARRA Grants to Cities and Towns:
<http://www.mass.gov/Eoeea/docs/doer/gca/gc-stimulus-opportunities.pdf>

Massachusetts Department of Energy Resources, *Funding available for cities and towns - Guidance on Federal Stimulus Funding*: <http://www.mass.gov/Eoeea/docs/doer/ARRA/2009/04/02/stimulus-funding-guidance.pdf>

Clean and Safe Drinking Water State Revolving Funds

National Total	\$6 billion¹¹⁹
Estimated Massachusetts Total	\$186.6 million¹²⁰
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$186.6 million¹²¹
Amount Spent in Massachusetts as of Sept. 30, 2009	\$0¹²²

Background

ARRA provided \$6 billion to the states to improve their municipalities' water infrastructure. The stimulus law appropriated a total of \$4 billion to the Clean Water State Revolving Fund (CWSRF) and \$2 billion to the Drinking Water State Revolving Fund (DWSRF). This is in addition to the money which states already receive for these revolving funds created by the federal Clean Water Act to help stem water pollution. In June of 2009 the federal government released the funds of which \$186.6 million came to Massachusetts.

What has happened so far?

The Environmental Protection Agency (EPA) allotted funds to states based on a 2003 distribution formula for these programs. Massachusetts has received \$134.4 million for the CWSRF and \$52.2 million for the DWSRF.

¹¹⁹ U.S. Environmental Protection Agency: <http://www.epa.gov/water/eparecovery/>

¹²⁰ U.S. Environmental Protection Agency: http://www.epa.gov/water/eparecovery/docs/Final_SRF_eco_recovery_allotments.pdf

¹²¹ Commonwealth of Massachusetts:

http://www.mass.gov/?pageID=gov3pressrelease&L=1&L0=Home&sid=Agov3&b=pressrelease&f=090615_water_treatment&csid=Agov3

¹²² Ibid.

The revolving funds are used to help the state control water pollution both through new construction of water facilities as well as developing plans to control pollution run off and to improve the quality and energy efficiency of drinking water facilities.

The state has decided to use these funds to help municipalities, who qualify for ARRA funding under the state's plan, to pay off some or all of the loans that they took out to pay for water improvement projects. In July of 2009 the state legislature made necessary changes to restrictions on the state's Revolving Water Funds to allow for these increased subsidies made possible through ARRA.

Massachusetts has developed a plan that will allow it to use the \$186.6 million in ARRA funds to help support 127 municipal water projects around Massachusetts.¹²³ Because of the ARRA funding, the state added 28 more projects to its list than it would have without the additional federal funds.

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?

Under ARRA, any projects financed through these revolving funds must be under contract or construction within 12 months of the stimulus bill's enactment (February 2010). The law also requires that at least 20 percent of the grants go to green infrastructure, water and energy efficiency, wastewater treatment, water conservation and to control and manage storm water runoff.¹²⁴

What is the timeline for the future?

Municipalities, whose water projects are included on the state's list, must have applied to the Department of Environmental Protection for ARRA funding by August of 2009. The state will approve ARRA funding for projects that are under contract or in construction by February 17, 2010. Those that are approved for ARRA funding will receive a reduction in their loan principal of an average of 8.9% of the cost of the project.¹²⁵

Helpful links:

U.S. Environmental Protection Agency: Clean and Drinking Water Revolving Funds:
<http://www.epa.gov/water/eparecovery/>

Massachusetts Department of Environmental Protection
<http://www.mass.gov/dep/water/wastewater/09cwiup.pdf>

¹²³ See Commonwealth of Massachusetts press release announcing the projects:
http://www.mass.gov/?pageID=gov3pressrelease&L=1&L0=Home&sid=Agov3&b=pressrelease&f=090501_water&csid=Agov3

¹²⁴ Ibid.

¹²⁵ See Massachusetts Department of Environmental Protection Use Plan: <http://www.mass.gov/dep/water/wastewater/09cwiup.doc>

State Energy Programs

National Total	\$3.1 billion¹²⁶
Estimated Massachusetts Total	\$54.9 million¹²⁷
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$27.5 million¹²⁸
Amount Spent in Massachusetts as of Sept. 30, 2009	\$0¹²⁹

Background

The State Energy Program, created in the late 1990s, allocates money to help states establish energy plans. State plans can include the retrofitting of state buildings to improve energy efficiency, promote alternative transportation fuels, conduct energy audits, provide education and training in green jobs and develop plans to prepare for energy emergencies.

The formula distribution provides one-third of the money equally to all states, one-third based on state population and the final one-third based on energy consumption in each state.

What has happened so far?

Massachusetts applied for the funds in the spring of 2009. The state's proposed activities include energy retrofitting of public buildings and facilities including conversion to biomass heating and solar hot water when feasible and increasing the state's use of solar power and wind power to reduce its dependence on oil and other fossil fuels. With the funds, Massachusetts estimates that it can create 4,300 jobs while substantially reducing greenhouse gas emissions and reducing the state's energy costs by \$15.1 million per year.¹³⁰ The DOE, upon approval of Massachusetts' application, provided the state with \$27.5 million or half of its total allotment.

Can these funds address the budget gap?

No. The State Energy Plan is funded largely through ARRA and other federal sources.

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

In order to qualify for the funds, states must submit plans that:

- 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.

What is the timeline for the future?

¹²⁶ U.S. Department of Energy: <http://www.energy.gov/recovery/statefunding.htm#EFFICIENCY>

¹²⁷ Commonwealth of Massachusetts Executive Office of Energy and Environmental Affairs: http://www.mass.gov/?pageID=eoeeterminal&L=4&L0=Home&L1=Energy%2c+Utilities+%26+Clean+Technologies&L2=Energy+Efficiency&L3=Local+%26+State+Government+Energy+Efficiency&sid=Eoeea&b=terminalcontent&f=doer_arra_sep&csid=Eoeea

¹²⁸ Commonwealth of Massachusetts: http://www.mass.gov/Aosc/docs/arra/arra_dept.pdf pages 7 & 20.

¹²⁹ See U.S. Department of Energy Financial Activity Report from September 18, 2009: http://www.recovery.gov/FAQ/Documents/DOE_Financial_and_Activity_Report_20090918.xls

¹³⁰ See Commonwealth of Massachusetts's Plan for State Energy Program: http://www.mass.gov/Eoeea/docs/doer/ARRA/2009/05/19/090509_arra_sep_summary.pdf

Upon review of Massachusetts' implementation of its State Energy Plan, DOE will then provide the state with the remaining 50 percent.

Helpful links:

U.S. Department of Energy, State Energy Program:

http://apps1.eere.energy.gov/state_energy_program/about.cfm

Massachusetts Executive Office of Energy and Environmental Affairs, State Energy Program:

http://www.mass.gov/?pageID=eoeeterminal&L=4&L0=Home&L1=Energy%2c+Utilities+%26+Clean+Technologies&L2=Energy+Efficiency&L3=Local+%26+State+Government+Energy+Efficiency&sid=Eoeea&b=terminalcontent&f=doer_arra_sep&csid=Eoeea

Weatherization Assistance Program

National Total	\$5 billion¹³¹
Estimated Massachusetts Total	\$122.1 million¹³²
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$122.1 million¹³³
Amount Spent in Massachusetts as of Sept. 30, 2009	\$15.6 million¹³⁴

Background

ARRA appropriated \$5 billion to expand weatherization programs around the country of which Massachusetts will receive \$122.1 million. The weatherization funds will be used to weatherize housing units to reduce energy costs for low-income tenants while providing training and jobs in energy efficiency.

The money, which is administered by the Department of Housing and Community Development (DHCD) will lower heating and cooling bills for low-income households by improving insulation, sealing leaky windows and doors and upgrading outdated heating and cooling equipment. In its weatherization plan submitted to the federal DOE, the state plans to spend \$117.1 million of the allotted funds on weatherizing almost 13,500 homes including public housing units. According to the state's plan, priority will be given to projects where low-income tenants pay their own heating bills.¹³⁵ In addition to providing weatherization services to low-income tenants, the state will also set aside \$1 million of the funds to create a Clean Energy Center which will provide workforce training for careers in energy efficiency.¹³⁶

What has happened so far?

The state has provided Weatherization agents with approximately 17 percent of the state's total grant to allow for initial contracting to begin.

¹³¹ U.S. Department of Energy: <http://www.energy.gov/recovery/statefunding.htm#EFFICIENCY>

¹³² U.S. Department of Energy: <http://www.energy.gov/massachusetts.htm>

¹³³ U.S. Department of Energy: <http://www.energy.gov/recovery/documents/recoveryactfunding.xls>

¹³⁴ Commonwealth of Massachusetts: http://www.mass.gov/Aosc/docs/arra/arra_dept.pdf

¹³⁵ See General Accounting Office (GAO), Massachusetts' Weatherization Plan: <http://www.gao.gov/recovery/pdfs/2009-july/gao-recovery-jul-2009-ma-appendix.pdf> pages 30-33.

¹³⁶ Massachusetts Clean Energy Center Workforce Development Initiative: <http://www.masscec.com/index.cfm?pid=10303>

Distribution is based on each state’s low-income population, number of units it will weatherize and its climate. Weatherization funds will 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 federally-funded.

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 receiving federal funding for weatherization by increasing the eligibility to families and individuals living at or below 200 percent of poverty from the previous limit of 150 percent of poverty. The legislation also increases the size of the individual grants to \$6,500.

The DOE will allocate the total funds to the state in three allotments. Massachusetts received 10 percent or \$12.3 million¹³⁷ when it submitted its application for weatherization funds. In July of 2009, DOE approved Massachusetts’ plan and provided the state with an additional \$48.8 million.¹³⁸

What is the timeline for the future?

Once DOE has assessed the performance of Massachusetts’ program it will provide the state with the second 50 percent of its total allotment.

Helpful links:

U.S. Department of Energy: http://www.energy.gov/recovery/energy_efficiency.htm

Massachusetts Executive Office of Housing and Economic Development, Weatherization Program: http://www.mass.gov/?pageID=eheadterminal&L=3&L0=Home&L1=Community+Development&L2=Housing+Energy+Programs&sid=Ehed&b=terminalcontent&f=dhcd_cd_wap_wap&csid=Ehed

Massachusetts Department of Housing and Community Development, *ARRA Weatherization Assistance State Plan*: <http://www.mass.gov/Ehed/docs/dhcd/cd/wap/waprecoveryplan2009.pdf>

LAW AND PUBLIC SAFETY

Justice Assistance Grants (JAG)

National Total	\$2 billion
Estimated Massachusetts Total	\$40.8 million¹³⁹
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$40.8 million¹⁴⁰
Amount Spent in Massachusetts as of Sept. 30, 2009	\$12.6 million¹⁴¹

¹³⁷ U.S. General Accounting Office: <http://www.gao.gov/recovery/bimonthly/ma/ma-july-09.php>

¹³⁸ U.S. Department of Energy: <http://www.energy.gov/news2009/7605.htm>

¹³⁹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbpublicsafety.htm>

¹⁴⁰ Ibid

¹⁴¹ Ibid

Background

The Edward Byrne Memorial Justice Assistance Grants (JAG) can be spent on technical assistance, training, personnel, equipment, supplies, and information systems. Programs eligible for funding include prosecution and court programs, prevention and education programs, corrections and community corrections programs and drug treatment and enforcement programs.

Of the \$2 billion allocated to the JAG program, Massachusetts is eligible to receive a total of \$40.8 million. JAG grants are determined by an 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 was eligible to receive approximately \$25 million; its cities and towns could 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.

What has happened so far?

The state has identified uses for \$13.4 million of its \$25 million state JAG grant award thus far. Of this total, the Executive Office of Public Safety and Security has used \$12.6 million of the JAG funds to restore funding to public safety and corrections programs that were cut in the FY 2009 9C process.

In addition, \$3.1 million is being used to support a state summer jobs program for at-risk youth. The state is combining this \$3.1 million with other stimulus and state funding to support the funding and recently announced that 10,000 of these jobs have so far been created.

An additional \$5.9 million of the state award will be distributed through public safety grants to municipal police departments. Grant applications from eligible cities and towns were received on Aug. 21 and award notices are expected to be posted in October.

Local JAG awards, totaling \$12 million, have been announced and will be distributed by Sept. 30.

Can these funds address the budget gap?

No. However, these funds can help replace state community policing funds that were eliminated in the FY 2010 budget. 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?

Local governments must have applied for the JAG grant by May 18, 2009. Eligible cities and towns were selected by the Office of Justice Programs. In Massachusetts, 147 cities and towns are on this list.

What is the timeline for the future?

The state and local police forces have until February of 2013 to spend all ARRA JAG funds. The state has not yet allocated approximately \$10 million of its award that could be used to support existing state programs as well as to provide grants to local law enforcement, including those communities not directly eligible for JAG funds.

Helpful link:

U.S. Department of Justice, JAG Grants: <http://www.ojp.usdoj.gov/BJA/recoveryact.html>

Community Oriented Policing Services (COPS)

National Total	\$1 billion
Estimated Massachusetts Total	\$29 million¹⁴²
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$29 million¹⁴³
Amount Spent in Massachusetts as of Sept. 30, 2009	\$800,000¹⁴⁴

Background

Through ARRA, the Community Oriented (COPS) program is distributing \$1 billion 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 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 for rehired officers who have been laid off, or were scheduled to be laid off as a result of local budget cuts.

What has happened so far?

Thirteen Massachusetts municipalities have been awarded \$29 million through COPS grants. These grants will fund 131 law enforcement positions.¹⁴⁵ The grant awards were announced on July 28, 2009. In most cases, funding for the positions began in August.

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 are being 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?

At the end of the three years, law enforcement agencies must retain all officers hired or rehired under the grant.

What is the timeline for the future?

COPS grants have now been fully awarded. They will be used to fund the positions for the next three years.

¹⁴² DOJ COPS allocation announcement: http://www.cops.usdoj.gov/files/CHRP/AnnouncementSummaries/AnnouncementSummary_MA.pdf

¹⁴³ See DOJ Financial Activity Report from August 21, 2009: <http://www.usdoj.gov/recovery/financial/08-21-09.htm>

¹⁴⁴ Amount spent estimate is calculated by taking 1/36th of the entire award.

¹⁴⁵ See COPS Hiring Recovery Program Announcement:

http://www.cops.usdoj.gov/files/CHRP/AnnouncementSummaries/AnnouncementSummary_MA.pdf

According to the state's grant applications, these funds will enable municipal police departments to retain 117 jobs and hire 14 new police officers.

Helpful links:

U.S. Department of Justice, COPS Program: <http://www.cops.usdoj.gov/default.asp?Item=2208>

EDUCATION

State Fiscal Stabilization Fund

The American Recovery and Reinvestment Act (ARRA) includes a \$53.6 billion state fiscal stabilization fund (SFSF). 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

National Total	\$39.7 billion
Estimated Massachusetts Total	\$813 million¹⁴⁶
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$544 million
Amount Spent in Massachusetts as of Sept. 30, 2009	\$355 million¹⁴⁷

Background:

The Education Block Grant provides funding for public school districts and public higher education campuses. 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.

What has Happened So Far?

In June 2009, Massachusetts used \$322 million from the education block grant, as well as \$90 million from the flexible block grant, for Fiscal Year 2009 "recovery grants" to make up for a reduction in state Chapter 70 aid to school districts. Without these funds, districts would likely have had trouble meeting payroll and debt service obligations towards the end of the school year.

Beginning on Aug. 25, 151 operating school districts began to submit applications to the state's Department of Elementary and Secondary Education for \$168 million in education block grant funds. These funds are being used by the state in FY 2010 to ensure that all school districts are able to reach their Foundation Budget. In FY 2010 districts will receive up to 8 percent of their Foundation Budget from federal stimulus funds. Without these funds, these districts would likely be forced to lay off significant personnel, increase class sizes or cut other programs in order to meet costs.

¹⁴⁶ U.S. Department of Education State Fiscal Stabilization Fund distribution:

<http://www.ed.gov/about/overview/budget/statetables/09arrastatetables.pdf>. This report divides the Massachusetts allocation between the Education Block grant and the Flexible Block grant, based on the language within ARRA.

¹⁴⁷ The state spent \$322 million in education block grant funds in FY 2009. In addition, the state has committed to spending \$330.8 million in FY 2010. The \$354 estimate for spending as of 9/30 assumes that 1/10th of the FY 2010 funds have been spent.

In addition, the state is distributing \$162.8 million of education block grant funds to public higher education campuses in the state in FY 2010.¹⁴⁸ The funds will be used to ensure that each campus receives the same funding level as in the FY 2009 General Appropriations Act. In order to receive these funds, each campus was required to submit documents specifying how funds would be spent and that transparency and record-keeping requirements would be met. Even with these funds many state campuses will be forced to raise student charges and/or cut back on services. It is difficult to gauge exactly what the effect on public higher education would have been if the state cuts were not offset by these federal funds. It is certain, though, that student costs would have increased, and campus programs would have been curtailed – in an economic climate where accessible, quality public higher education is most important. It is worth noting that during the last major reduction in state support to public higher education, between FY 2002 and FY 2004, inflation adjusted tuition and fees at public higher education campuses increased by approximately 40 percent.¹⁴⁹

The state is also using approximately \$59 million of the Education Block Grant to provide additional assistance to state higher education campuses and to ensure that school districts facing extraordinary circumstances are able to meet their foundation budget. The \$54 million in higher education funds are in addition to the \$162.7 million identified in the FY 2010 budget.

Can these funds address the budget gap?

Yes. Although the money is distributed to school districts and higher education campuses, its 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 the budget document relied on a specific distribution of these funds in FY 2010 which is currently being implemented.

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. Massachusetts meets this standard in the FY 2010 budget.

Education Block Grant funds can be spent in fiscal years 2009 through September 2011 for three main purposes:¹⁵⁰

- 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.
- To make up for funding cuts from public higher education since FY 2008.

Two-thirds of these education funds were released to states in March and early April 2009 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

¹⁴⁸ By changing the source of some aid from the state to federal stimulus funds, schools may be responsible for personnel costs traditionally paid for by the state. Currently, personnel costs paid for by state aid do not require the campus to reimburse the state for fringe benefit costs. However, personnel costs paid for by ARRA would be subject to reimbursement requirements, meaning that while the gross aid to any campus will remain the same in FY 2010 as in FY 2009, the net amount may be reduced.

¹⁴⁹ See Massachusetts Board of Higher Education, *Final Report from the Task Force on Student Financial Aid*: <http://www.mass.edu/library/Reports/FinancialAidTaskForceReport.pdf>

¹⁵⁰ Please see our earlier fact sheet for specific information on how these requirements affect Massachusetts: <http://www.massbudget.org/doc/683>

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.

What is the timeline for the future?

The state has committed the entirety of its Phase I education block grant allocation of \$544 million. Of this amount, \$322 million was spent in FY 2009, while \$222 million has been committed for use in FY 2010 and will be distributed when applications from school districts and higher education campuses are processed.

The state now must submit an application for its \$269 million Phase II award. The application will require the state to report on use of Phase I funds, as well as state progress toward other education goals set by the federal government. The U.S. Department of Education has recently released draft requirements for the application, with any comments from the states on these requirements due by Aug. 30, 2009.

While the state has \$269 million remaining in education block grant funds, the FY 2010 budget already relies on \$108.8 million of this amount to fund K-12 and higher education. Also, the Governor plans on using \$59 million in education block grant funds to meet additional education costs described above. This means that only approximately \$100 million of the education block grant has not yet been identified for spending.

The Governor has already indicated a willingness to use additional education block grant funds to make up for reductions in state Chapter 70 aid in FY 2010. While approximately \$100 million in these funds have yet to be identified for use in FY 2010, it does raise the possibility that little of the education block grant funds will be available to assist school districts and higher education campuses in FY 2011.

Helpful links:

U.S. Department of Education's summary of all education funds awarded to Massachusetts can be found at: <http://www.ed.gov/policy/gen/leg/recovery/state-fact-sheets/massachusetts.doc>

U.S. Department of Education's fact sheet on Phase II of education block grant awards can be found at: <http://www.ed.gov/programs/statestabilization/factsheet.html>

Massachusetts Department of Elementary and Secondary Education's allocation of State Fiscal Stabilization Funds to each district can be found at: <http://www.doe.mass.edu/arra/dallocation.xls>

Massachusetts Department of Higher Education's status update of State Fiscal Stabilization Funds for public higher education campuses can be found at: http://www.mass.edu/currentinit/arra_sfsf.asp

Flexible Block Grant

National Total	\$8.87 billion
Estimated Massachusetts Total	\$181 million¹⁵¹
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$181 million¹⁵²
Amount Spent in Massachusetts as of Sept. 30, 2009	\$90 million¹⁵³

¹⁵¹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbeducation.htm>

¹⁵² Ibid.

¹⁵³ Ibid.

Background

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

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.

What has happened so far?

Massachusetts used approximately half of its flexible block grant funds, \$90 million, in FY 2009 to replace state funds to school districts. This \$90 million dollar distribution was used in conjunction with \$322 million in education block grant funds to replace a \$412 million reduction in state funds.

In addition to the \$90 million already spent, Governor Patrick has committed \$21 million of the flexible block grant funds for a grant program to reduce the need for staffing reductions at fire departments around the state.

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 had to maintain public K-12 and higher education at FY 2006 levels. Massachusetts is now approved to spend its entire flexible block grant award. There are no specific restrictions on the use of flexible block grant funds.

What is the timeline for the future?

Unlike the Education Block Grant, Massachusetts has received its entire allocation of the Flexible Block Grant. Having spent \$111 million on public education and fire services grants, the state has \$70 million in flexible block grant funds remaining that must be spent by Sept. 30, 2011.

For more information on the State Fiscal Stabilization Fund, see the Department of Education’s site at <http://www.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html>

State Innovation Fund

National Total	\$5 billion¹⁵⁴
Estimated Massachusetts Total	\$63 million¹⁵⁵
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$ 0¹⁵⁶
Amount Spent in Massachusetts as of Sept. 30, 2009	0\$

¹⁵⁴ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgaeducation.htm>

¹⁵⁵ U.S. Department of Health and Human Services, Administration of Children and Families: http://www.acf.hhs.gov/programs/ccb/law/allocations/current/state2009/est_fin_all_2009.htm

¹⁵⁶ See U.S. Department of Health and Human Services, Financial Activity Report from Sept. 25, 2009: http://www.recovery.gov/FAQ/Documents/HHS_Financial_and_Activity_Report_20090925.xls

Background

ARRA includes two competitive grant programs designed to fund innovations in public schools and help close the achievement gap

The largest grant program is the Race to the Top Fund, with \$4.35 billion in grants. These funds will be awarded to states that demonstrate a commitment to four education areas prioritized by the federal Department of Education:

1. Internationally benchmarked standards.
2. Teacher and administrator recruitment and retention programs.
3. Data systems that measure student performance and inform instruction.
4. Underperforming school turnaround programs.

The grants will be awarded in two phases. No state may receive an award in both Phase I and Phase II.

The federal government will also distribute an Investing in Innovation fund. This \$650 million grant will be awarded directly to school districts, or non-profits partnering with school districts, that have been effective in closing or reducing the achievement gap, or exceeded state benchmarks for student achievement.

What has happened so far?

Applications for phase I of the Race to the Top grants are due late in 2009. Awards will be made early in 2010. Phase II applications will be due in the spring of 2010, with awards being granted in September 2010.

In addition, the Department of Education has set aside \$350 million in Race to the Top funds that may be awarded through a separate grant process designed to improve state educational assessment tools.

The Department of Education has yet to announce the application process for Investing in Innovation Funds.

Can these funds address the budget gap?

Not directly. These funds are intended to fund further innovations and specific new improvements to state and district education programs. However, these funds could fund innovative programs at the state level that could not otherwise be funded due to the budget crisis.

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

As described above, all Race to the Top and Investing in Innovation funds are given as competitive grant awards. Therefore, in order to receive funds Massachusetts and school districts around the state must demonstrate previous accomplishments in these areas, as well as their specific intention for these funds going forward. In the case of the Race to the Top funds, successful applications will focus on the four areas described above.

In the case of the Investing in Innovation grants, no specific application criteria have yet been announced, but in general recipients are to use the funds to improve student assessment and close the achievement gap.

What is the timeline for the future?

Applications for Phase I of Race to the Top are due late in 2009. Awards will be announced early in 2010.

Application deadlines for Investing in Innovation funds have yet to be announced.

Special Education Funds

National Total	\$12.2 billion
Estimated Massachusetts Total	\$299.3 million¹⁵⁷
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$299.3 million¹⁵⁸
Amount Spent in Massachusetts as of Sept. 30, 2009	\$14.5 million¹⁵⁹

Background

These special education funds have been distributed to school districts in the same manner as other federal Individuals with Disabilities Act (IDEA) fund allocations and are 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.

In the 2008-2009 school year, 166,037 students received special education services through the public schools. On average, 20.8 percent of districts costs are special education related.

What has happened so far?

IDEA funds are divided into 3 categories:

- Funds for K-12 special education programs (\$280.5 million total allocation for Massachusetts).
- Funds for public school preschool special education programs (\$10.2 million total allocation for Massachusetts).
- Funds for Early Intervention programs operated through the state's Department of Public Health (\$7.4 million total allocation for Massachusetts).

For each of these three sources of funds, the first half of the state's total allocation was awarded in April of 2009 and distributed to school districts during the summer. Each component of the IDEA award is being administered by a different state agency. The Department of Elementary and Secondary Education is responsible for K-12 IDEA grants, the Department of Early Education and Care (EEC) is responsible for preschool special education grants, and the Department of Public Health is responsible for Early Intervention funding.

¹⁵⁷ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbeducation.htm>

¹⁵⁸See U.S. Department of Education Financial Activity Report from Sept. 18, 2009:

http://www.recovery.gov/FAQ/Documents/ED_Financial_and_Activity_Report_20090918.xls

¹⁵⁹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbeducation.htm>

The state must submit documents to the federal Department of Education specifying how the state is meeting reporting and accountability requirements in order to receive the second half of the state's total IDEA allocation. The second half of funds will be released to the state on Sept. 30.

Because funds to school districts were generally received over the summer, very little of the IDEA funds were spent in the 2008-2009 school year. In total, \$14.5 million in IDEA funds have been spent as of Sept. 30. The IDEA funds used in the current school year can help to avoid cuts that otherwise would have been made necessary by steep cuts to state special education funding.

Can these funds address the budget gap?

Not directly. However, these funds can reduce potential cuts within local school districts. The state reduced its special education reimbursements to districts by \$75 million in the FY 2010 budget. The ARRA IDEA funds could be vital in making up for reduced state aid.

While the federal stimulus IDEA funds have to be spent on allowed IDEA costs, they can supplant district level spending 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 were distributed by the end of March 2009. 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.

What is the timeline for the future?

School districts will likely spend the majority of the first half of their IDEA allocation in the FY 2009-2010 school year. The second half of the IDEA allocation may largely be used for the 2010-2011 school year.

Massachusetts received its second IDEA allocation of \$149 million in September. These funds will be divided among the three IDEA programs in the same manner as for the 2007-2008 school year. All funds must be expended by Sept. 30, 2011.

Helpful link:

U.S. Department of Education, *IDEA Fact Sheet*:

<http://www.ed.gov/policy/gen/leg/recovery/factsheet/idea.html>

Title I Funds

National Total	\$13 billion
Estimated Massachusetts Total	\$163.4 million¹⁶⁰
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$81.8 million¹⁶¹
Amount Spent in Massachusetts as of Sept. 30, 2009	\$4.2 million¹⁶²

¹⁶⁰ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbeducation.htm>

¹⁶¹ Ibid.

Background

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

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 percentage of low-income children.

The remaining \$3 billion are part of a comprehensive school reform program directed toward the bottom 5 percent of public schools in the nation.

What has happened so far?

The state received 50 percent of its Title I award on April 1, 2009. These grants were distributed to 258 school districts around the state over the summer. The state has since submitted to the federal Department of Education a document detailing how the state will meet data and reporting requirements on the use of Title I ARRA funds. The state expects to receive the second half of its Title I allocation by Sept. 30, 2009.

Because districts received the first half of ARRA Title I funds over the summer, these funds will likely be spent in the 2009-2010 school year to provide tutoring, math instruction and out of school learning opportunities to many of the 270,000 low-income students in districts, both urban and rural, receiving ARRA Title I funds.

Can these funds address the budget gap?

Not directly. However, these funds can offset some cuts at school districts by providing funds for approved Title I activities that may have received cuts in state or local support. These funds could allow the state to temporarily reduce funding for related state programs, with the knowledge that increased federal support can make up the gap.

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. As with IDEA funds, the second half of Title I ARRA allocations are being distributed based on state compliance with data and reporting requirements.

What is the timeline for the future?

As mentioned above, K-12 school districts will spend the majority of their first half awards in the 2009-2010 school year. While the second half of Title I funds will be received during this same school year, districts could hold off using the second round of funding until the 2010-2011 school year.

The state expects to receive the second half of Title I ARRA funds by Sept. 30, 2009. These funds will again be distributed to districts based on the number of low-income students in each district. Each district must spend at least 85 percent of all Title I ARRA funds by Sept. 30, 2010; all funds must be spent by Sept. 30, 2011.

¹⁶² Ibid.

Helpful link:

U.S. Department of Education, *Title I Fact Sheet:*

<http://www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html>

Child Care Development Block Grants (CCDBG)

National Total	\$2 billion¹⁶³
Estimated Massachusetts Total	\$23.9 million¹⁶⁴
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$23.9 million¹⁶⁵
Amount Spent in Massachusetts as of Sept. 30, 2009	\$2.25 million

Background

CCDBG is the primary federal grant program specifically devoted to child care services, from subsidies for low-income families to quality supports for child care providers.

ARRA provides \$2 billion in CCDBG funds to states to support child care services for low-income families whose children require care while they are working, seeking employment or receiving job training or education. These CCDBG funds have been awarded to states on a formula basis, used for regular CCDBG annual allocations, based on such parameters as a state's population under age 13, the number of children eligible for federal free and reduced lunch programs, and the state per capita income. ARRA CCDBG funds are 100 percent discretionary funds and require no state match.

While the state does not report separately on the number of children served by federal CCDBG funds in particular, the state's child care financial assistance program, funded by a mix of TANF Block Grant, CCDBG, and state funds, serves approximately 60,600 children¹⁶⁶ at any given point during the year. As of April 2009, 19,633 children had been placed on the state's centralized waiting list for child care financial assistance and, thus, were awaiting access to subsidized child care services.¹⁶⁷

ARRA CCDBG funds supplement the regular \$101 million already allocated to Massachusetts for the purpose of increasing access to child care for low-income families by providing child care financial assistance and other related child care supports.

What has Happened So Far?

Massachusetts has been awarded \$23.9 million in ARRA CCDBG funds.

¹⁶³ U.S. Department of Health and Human Services: <http://www.hhs.gov/recovery/programs/acf/childcare.html>

¹⁶⁴ U.S. Department of Health and Human Services, Administration of Children and Families: http://www.acf.hhs.gov/programs/ccb/law/allocations/current/state2009/est_fin_all_2009.htm

¹⁶⁵ See U.S. Department of Health and Human Services, Financial Activity Report from Sept. 25, 2009: http://www.recovery.gov/FAQ/Documents/HHS_Financial_and_Activity_Report_20090925.xls

¹⁶⁶ See Massachusetts Department of Early Education and Care, *EEC At A Glance Report*, April 2009.

¹⁶⁷ Ibid.

To date, the Massachusetts Department of Early Education and Care (EEC) has launched an ARRA-funded summer care initiative which has provided 750 school age children¹⁶⁸ from income-eligible, working families with access to child care during the 2009 summer months. The purpose of this initiative was to help low-income working parents maintain work stability by providing them access to much-needed and reliable summer child care for their school-age children. Priority for placement was given to families and children residing in underperforming school districts based on Department of Elementary and Secondary Education (ESE) district accountability status determinations and children whose siblings already receive child care financial assistance from EEC. Child care placements for this ARRA funded program began on July 1st and ended in September 2009. EEC estimates that spending for this initiative to be no greater than \$2.25 million.

Can these funds address the budget gap?

Not directly. CCDBG funds cannot supplant state funding for child care support; however, since EEC has recently responded to budget cuts by restricting access to child care financial assistance for families on the centralized waiting list, these ARRA funds could be used to provide services to additional children who otherwise would not have received child care because of budget reductions.

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

Of its \$23.9 million ARRA CCDBG award, Massachusetts is required to allocate \$1.98 million for targeted quality expansion activities and \$1.1 million for targeted activities to improve infant and toddler care specifically. Quality expansion activities may include the provision of child care consumer education to parents or the public and resources which improve the quality and availability of child care.

Further, all ARRA funded CCDBG child care activities must follow all current Discretionary Child Care Development Fund (CCDF) requirements and adhere to the State's approved state plan for the provision of CCDF funded child care services. As such, all families who receive child care financial assistance via ARRA funding must meet already defined eligibility criteria. These eligibility criteria include family income thresholds¹⁶⁹ and demonstrated participation in a required activity, such as work, training or employment search.

What is the timeline for the future?

EEC will be working to allocate approximately \$3 million of its ARRA CCDBG quality set-asides to appropriate activities and allocate the remaining award to support increased access to child care financial assistance for eligible families.

Helpful links:

U.S. Department of Health and Human Services, CCDBG Implementation Plan:
<http://www.hhs.gov/recovery/programs/acf/childcare.html>

¹⁶⁸ Massachusetts Department of Early Education and Care.

¹⁶⁹ A family must have an initial gross income which is at or below 50 percent of the State Median Income (SMI) in order to be considered eligible to receive EEC financial assistance. Once that family receives assistance, they may remain eligible until their income exceeds 85 percent of the SMI, provided they continue to meet other pertinent eligibility criteria. Families with a child with a documented disability are eligible for EEC financial assistance if their income is at or below 85 percent of the SMI.

U.S. Department of Health and Human Services, Administration for Children and Families:

<http://www.acf.hhs.gov/programs/ccb/initiatives/arra/index.htm>

Center for Law and Social Policy (CLASP), *CCDBG: What's In the Law?*

<http://www.clasp.org/publications/ccdbginbrief.pdf>

Massachusetts Department of Early Education and Care: <http://www.eec.state.ma.us/ARRA.aspx>

Head Start and Early Head Start

National Total	\$2.1 billion¹⁷⁰
Estimated Massachusetts Total	\$10.1 million¹⁷¹
Amount Allocated to Massachusetts as of Sept. 30, 2009	\$7.7 million
Amount Spent in Massachusetts as of Sept. 30, 2009	0

Background

Head Start was established in 1965 to promote school readiness and provide a comprehensive array of health, nutritional and social services to low-income preschoolers and their families. The Early Head Start program was established in 1995 to provide early, continuous, intensive and comprehensive child development and family support services to low-income families with infant and toddlers as well as pregnant women. In FY 2008, the U.S. Department of Health and Human Services' Administration of Children and Families (ACF) reported that the federally funded Head Start program served approximately 906,000 children nationwide, 61,764 of whom were served in Early Head Start programs.¹⁷² In Massachusetts, ACF indicates that approximately 12,800 children were served through federally-funded Head Start programs.¹⁷³

Under ARRA, Head Start and Early Head Start programs will receive approximately \$2.1 billion in total. Of the \$2.1 billion, Head Start will receive \$1 billion, while Early Head Start will receive \$1.1 billion.

Nationally, these ARRA appropriations include the following Head Start and Early Head Start initiatives:

- \$1.2 billion in Early Head Start expansion grants.
- \$220 million in Head Start Expansion grants.
- \$354 million in Head Start funding to support increased staff compensation, upgrades to Head Start facilities, expansions of hours of operation and enhancement of transportation services.
- \$221 million in cost-of-living, training and technical assistance increases for Head Start and Early Head Start staff.

¹⁷⁰ U.S. Department of Health and Human Services: <http://hhs.gov/recovery/programs/acf/hs-ehs.html>

¹⁷¹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgaeducation.htm>

¹⁷² See U.S. Department of Health and Human Services, Administration of Children and Families, ARRA Head Start Expansion Grant: <http://www.acf.hhs.gov/grants/open/HHS-2009-ACF-OHS-SH-0089.html>

¹⁷³ See U.S. Department of Health and Human Services, Administration of Children and Families, Head Start Program Fact Sheet FY 2008: <http://eclkc.ohs.acf.hhs.gov/hslc/Head%20Start%20Program/Head%20Start%20Program%20Factsheets/dHeadStartProgr.htm>

- \$100 million in planning grants to states to create advisory councils to bolster coordination between Head Start, Early Head Start and state run early childhood programs.

According to information provided by the state, Massachusetts will receive an estimated \$10.1 million in combined Head Start and Early Head Start ARRA funding.

What has Happened So Far?

Approximately \$7.7 million in combined Head Start and Early Head Start competitive expansion grants have been made available to bolster Head Start and Early Head Start programs in Massachusetts. Together, these grants will provide funding for programs to provide important family support and early education and care services to additional families during this economic crisis.

In May 2009, ACF began accepting applications for ARRA-funded Head Start Expansion grants. Approximately \$1.3 million from this grant is available for Massachusetts Head Start Expansion Grants. Head Start Expansion Grants must be used to increase the number of low-income preschool children enrolled in Head Start.

Also, ACF opened the application process for an ARRA-funded Early Head Start Expansion grant in May 2009. This competitive grant is open to all applicants willing to expand Early Head Start enrollment. Approximately \$6.4 million from this grant is available for Massachusetts' grantees. Early Head Start Expansion Grants must be used to increase the number of pregnant women, infants and toddlers served in Early Head Start programs.

Can these funds address the budget gap?

No. These funds are spent solely on federal Head Start and Early Head Start programs to provide increases in staff compensation, hire additional personnel and expand enrollment. However, it is important to note that the state did reduce state support for Head Start by \$1 million in the FY 2010 budget, so these additional funds could offset this cut in state funding.

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

All other ARRA funds awarded to Head Start and Early Head Start programs must adhere to existing federal requirements.

What is the timeline for the future?

Both Head Start and Early Head Start competitive grant awardees will be announced in early October. Other sources of ARRA funding, specifically related to cost of living increases for staff and technical assistance, will become available sometime in FY 2010.

Helpful links:

U.S. Department of Health and Human Services, Administration for Child and Families: Office of Head Start: http://eclkc.ohs.acf.hhs.gov/hslc/Program%20Design%20and%20Management/Head%20Start%20Requirements/Pis/2009/resour_pri_006_040209.html

U.S. Department of Health and Human Services, Administration for Child and Families: Office of Head Start: ARRA Head Start Expansion Grant: <http://www.acf.hhs.gov/grants/open/HHS-2009-ACF-OHS-SH-0089.html>

U.S. Department of Health and Human Services, Administration for Child and Families: Office of Head Start: ARRA Early Head Start Expansion Grant: <http://www.acf.hhs.gov/grants/open/HHS-2009-ACF-OHS-SA-0087.html>

TAX AND RELATED BENEFITS¹⁷⁴

ARRA includes a number of provisions to provide tax cuts to Massachusetts residents and businesses. The charts below outline five of the major tax programs that are included in ARRA that affect individuals.

In addition to the five programs described in this section, it is important to note that there are also other tax benefits in ARRA for individuals, including tax breaks for first-time home buyers, deductions for new motor vehicles purchases, and suspension of the federal income tax on Unemployment Insurance Benefits. In addition to the cost of tax cuts listed below, these tax cuts are projected to cost \$13 billion over the next 10 years.¹⁷⁵

ARRA also provides tax relief for businesses and energy. These provisions include:

- Increasing the time period over which small business can carry back operating losses.
- Providing 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.
- Extending tax credits for energy efficiency home improvements through 2010.
- Increasing the tax credit for certain plug-in motor vehicles.

“Making Work Pay” Tax Credit

National Total	\$116 billion
Estimated Massachusetts Total	\$2.6 billion¹⁷⁶
Massachusetts Taxpayers’ Benefit as of Sept. 30, 2009	\$1.2 billion¹⁷⁷

Background

For individuals, the most notable tax change is the Making Work Pay tax for workers and working families. This credit will go to an estimated 2.45 million workers in Massachusetts.

¹⁷⁴ All estimates for ARRA National Totals for Tax Changes obtained from: http://www.accountablerecovery.org/ARRA_overview

¹⁷⁵ Tax Policy Center: http://www.taxpolicycenter.org/briefing-book/background/stimulus/ARRA_individual.cfm

¹⁷⁶ This figure is based on estimates of the cost of the Making Work Pay credit by the Tax Policy Center and estimates by the Center on Budget & Policy Priorities on the numbers of benefitting taxpayers in each state. It is assumed that the credit is paid out to states based on the share of each state’s taxpayers with incomes below \$100,000 or \$200,000 for married couples.

¹⁷⁷ Federal Recovery Website: <http://www.recovery.gov/?q=content/making-work-pay&mode=table>

In 2009 and 2010, the credit will be up to \$400 for individuals and \$800 for married taxpayers filing joint returns. This is a refundable tax credit, meaning that if the credit reduces the amount of tax due to below \$0, the taxpayers will receive a payment for the difference.

What has happened so far?

Because the Making Work Pay tax credit applies to withholdings, or reduction of income held by employers in each paycheck for the federal income tax, this tax credit took effect immediately. Starting on April 1, 2009, workers were able to take home larger paychecks because of the reduced amount of their income withheld for income tax. It is estimated that Massachusetts taxpayers have received \$1.2 billion in benefits due to this tax credit.

Can these funds address the budget gap?

No. Tax benefits to individuals do not affect the state budget situation.

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

Most wage earners will receive the Making Work Pay tax credit. Restrictions apply, however, to recipients of private pensions. Full eligibility information can be found here:

<http://www.irs.gov/newsroom/article/0,,id=204447,00.html>

What is the timeline for the future?

This is a new tax credit that will apply to the 2009 and 2010 tax years.

Helpful link:

Internal Revenue Service, Making Work Pay Tax Credit:

<http://www.irs.gov/newsroom/article/0,,id=204447,00.html>

Earned Income Tax Credit

National Total	\$5 billion
Estimated Massachusetts Total	\$66 million¹⁷⁸
Massachusetts Taxpayers' Benefit as of Sept. 30, 2009	Negligible¹⁷⁹

Background

The Earned Income Tax Credit (EITC) is aimed at providing relief to working individuals making low to moderate incomes. ARRA increases the EITC for taxpayers with three or more qualifying children and increases the point at which the credit phases out for married couples, regardless of how many children they have. This both increases the tax benefit and expands the tax credit to a larger number of taxpayers.

¹⁷⁸ This figure is based the Joint Committee on Taxation estimate for the 10-year cost of temporary EITC increases and IRS data on the number of EITC beneficiaries in each state for 2007.

¹⁷⁹ This figure was derived by multiplying the amount projected for MA to the proportion of the Joint Committee on Taxation's estimates for 2009 cost over the 10-year cost of EITC increases.

What has happened so far?

The taxpayers' benefit for the EITC will be claimed on individuals' tax returns filed in April of 2010 and 2011. The estimated benefit that Massachusetts taxpayers have accrued so far is such a small amount that it is negligible.

Can these funds address the budget gap?

No. Tax benefits to individuals do not affect the state budget situation.

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

ARRA expands the eligibility requirements of the EITC and increases in the maximum credit for families with three or more children. The EITC is a refundable tax credit that is designed to help low- and moderate-income taxpayers keep more of their wages. Taxpayers who qualify must have incomes below set thresholds, depending on the marital status of the taxpayers and the number of dependent children. Information on specific eligibility requirements can be found here:

<http://www.irs.gov/individuals/article/0,,id=96406,00.html>.

What is the timeline for the future?

The enhanced EITC credits will be in effect for tax years 2009 and 2010. As mentioned above, the benefits will be claimed on individual tax returns filed in April of 2010 and 2011.

Helpful link:

Internal Revenue Service, "It's easier than ever to find out if you qualify for EITC":

<http://www.irs.gov/individuals/article/0,,id=96406,00.html>

Child Tax Credit

National Total	\$15 billion
Estimated Massachusetts Total	\$177.6 million¹⁸⁰
Massachusetts Taxpayers' Benefit as of Sept. 30, 2009	Negligible¹⁸¹

Background

ARRA expands the Child Tax Credit to allow benefits for more families with children. Specifically, ARRA lowers the amount of earned income that is used to calculate the refundable portion of the tax credit. Taxpayers with qualifying children – those under the age of 17 who have lived with the parent for at least half of the previous year – can claim up to \$1,000 per child. It is estimated that parents of 155,000 children will receive a larger tax credit than in the past.

¹⁸⁰ This figure was estimated using the Joint Committee on Taxation estimates of the cost of the credit and estimates by the Center on Budget and Policy Priorities on the number of children eligible for each state. It is assumed that the tax credit is paid out based on the state's share of children who become eligible for the credit based on the lower income threshold in 2010.

¹⁸¹ This figure was derived by multiplying the amount projected for MA to the proportion of the Joint Committee on Taxation's estimates for 2009 cost over the 10-year cost of Child Tax Credit increases.

What has happened so far?

The tax benefit that Massachusetts taxpayers are estimated to have accrued so far is negligible. The bulk of these benefits will be received in 2010 and 2011.

Can these funds address the budget gap?

No. Tax benefits to individuals do not affect the state budget situation.

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

In order to claim the \$1,000 per child tax credit, the taxpayer must meet age and other qualifications. In addition, the tax credit is adjusted based on the individual or couple's income and income tax owed. More information on eligibility for the Child Tax Credit can be found here:

<http://www.irs.gov/newsroom/article/0,,id=106182,00.html>

What is the timeline for the future?

Like the Earned Income Tax Credit, the Child Tax Credit will be in effect for tax years 2009 and 2010, with benefits claimed on returns filed for these tax years.

Helpful link:

Internal Revenue Service, Can You Claim the Child Tax Credit?

<http://www.irs.gov/newsroom/article/0,,id=106182,00.html>

American Opportunity Tax Credit

National Total	\$14 billion
Estimated Massachusetts Total	\$193.5 million¹⁸²
Massachusetts Taxpayers' Benefit as of Sept. 30, 2009	\$15 million¹⁸³

Background

The American Opportunity Tax Credit is a modification of the existing Hope Credit, which helps taxpayers offset the costs of the first two years of post-secondary education such as college or vocational school. The American Opportunity credit makes this credit available to more tax payers by expanding the list of qualifying expenses to include required course materials, and by covering four years of post-secondary education rather than just two.

Taxpayers can claim \$2,500 tax credit for college tuition and related costs, which is estimated to benefit 71,000 college students in Massachusetts.

¹⁸² This figure was derived from Joint Committee on Taxation estimates of the 10-year cost of the American Opportunity Tax Credit and the estimates from the Center on Budget and Policy Priorities on eligible students in each state.

¹⁸³ This figure was derived by multiplying the amount projected for MA to the proportion of the Joint Committee on Taxation's estimates for 2009 cost over the 10-year cost of American Opportunity Tax Credit increases.

What has happened so far?

The estimated 2009 benefit for Massachusetts taxpayers is \$15 million.

Can these funds address the budget gap?

No. Tax benefits to individuals do not affect the state budget situation.

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

The credit is available to individuals who pay qualified tuition and expenses, and whose modified adjusted gross income is less than \$80,000 and \$160,000 or less for married couples. More information can be found here: <http://www.irs.gov/newsroom/article/0,,id=205674,00.html>.

What is the timeline for the future?

As with the other tax benefits, the American Opportunity tax credit is also enacted for tax years 2009 and 2010.

Helpful link:

Internal Revenue Service, American Opportunity Credit:
<http://www.irs.gov/newsroom/article/0,,id=205674,00.html>

Alternative Minimum Tax

National Total	\$70 billion
Estimated Massachusetts Total	\$2.5 billion¹⁸⁴
Massachusetts Taxpayers' Benefit as of Sept. 30, 2009	\$74.2 million¹⁸⁵

Background

The Alternative Minimum Tax (AMT) was established to ensure that higher-income earners, who qualified for various income tax credits and exemption, still paid a minimum amount of tax. Since it was first introduced in 1970, the income level at which the AMT applies did not keep pace with changes in household incomes. Thus, more and more middle-income families – not the intended target of the AMT – became required to pay the AMT, which was often higher than that taxes they otherwise would have owed.

ARRA begins to address this discrepancy by providing a one-year increase in the AMT floor for joint filers in 2009. This means that the income level at which the AMT is required has been increased, taking some of the burden off of middle-income taxpayers.

What has happened so far?

¹⁸⁴ This figure was estimated using Joint Committee on Taxation estimates for the 10-year cost of the Alternative Minimum Tax changes and estimates from the Tax Policy Center on the number of AMT returns in each state in 2007.

¹⁸⁵ This figure was derived by multiplying the amount projected for MA to the proportion of the Joint Committee on Taxation's estimates for 2009 cost over the 10-year cost of changes to the Alternative Minimum Tax.

The estimated tax benefits for Massachusetts tax payers so far is \$74.2 million; however, most of the benefits will be felt by taxpayers in 2010 and 2011.

Can these funds address the budget gap?

No. Tax benefits to individuals do not affect the state budget situation.

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

The wage floor for the AMT has been increased to \$70,950 for joint tax filers in 2009. This means that taxpayers with incomes exceeding this amount will be subject to the AMT. Additional information on the Alternative Minimum Tax can be found here: <http://www.irs.gov/businesses/small/article/0,,id=150703,00.html>.

What is the timeline for the future?

The increase in the AMT wage floor is applicable only to tax year 2009.

Helpful link:

Internal Revenue Service, The Alternative Minimum Tax:
<http://www.irs.gov/businesses/small/article/0,,id=150703,00.html>.

One-Time Economic Recovery Payments

National Total	\$14.2 billion¹⁸⁶
Estimated Massachusetts Total	\$306.5 million¹⁸⁷
Massachusetts Taxpayers' Benefit as of Sept. 30, 2009	\$306.5 million

Background

ARRA designated \$14.2 billion for \$250 one-time Economic Recovery Payments for retirees and recipients of Social Security Insurance. An estimated 1.2 million people will benefit from these payments in Massachusetts, totaling \$297 million.

Individuals who qualify for Economic Recovery Payments include retirees, disabled individuals and Supplemental Security Income (SSI) recipients receiving benefits from the Social Security Administration; disabled veterans receiving benefits from the U.S. Department of Veterans Affairs; and Railroad Retirement beneficiaries.

What has happened so far?

The Social Security Administration disbursed all Economic Recovery Payments by the end of May 2009, so all these funds have been spent.

Can these funds address the budget gap?

¹⁸⁶ This figure was estimated by multiplying the \$250 payments by the estimates by the Center on Budget and Policy Priorities on the number of recipients in Massachusetts.

¹⁸⁷ Ibid.

No, these payments go directly to individuals.

What is the timeline for the future?

Since the funds have all been disbursed, there is no future activity.

Category	SPENDING PROGRAM	National Total	Estimated Massachusetts Total	Amount Spent in Massachusetts as of Sept. 30, 2009
Health Care	Temporary Increase in Federal Medicaid Assistance Percentage (FMAP)	85,600,000,000	2,600,000,000	1,100,000,000
Health Care	Temporary Increase in DSH Allotment	770,000,000	15,100,000	7,500,000
Health Care	Extension of the Qualifying Individual (QI) Program	562,500,000	Unknown	0
Health Care	Community Health Center Construction and Expansion	2,500,000,000	Unknown, at least 37,700,000	Information available after Oct. 10 reporting deadline
Health Care	Health Care Research	11,100,000,000	Unknown, at least 503,000,000	Information available after Oct. 10 reporting deadline
Health Care	Development of Health Care Information Technology	2,000,000,000	Unknown	0
Health Care	Prevention and Wellness	1,000,000,000	Unknown, at least 4,300,000	Information available after Oct. 10 reporting deadline
Health Care	Extended COBRA Benefits	24,700,000,000	483,000,000	Unknown
Nutrition and Food Programs	Women, Infants and Children Supplemental Food (WIC) Program	500,000,000	2,100,000	0
Nutrition and Food Programs	Elder Nutrition Programs	100,000,000	2,100,000	Information available after Oct. 10 reporting deadline
Nutrition and Food Programs	Supplemental Nutritional Assistance Program - SNAP (Food Stamps) includes funding for both administration and benefits.	20,300,000,000	323,700,000	74,800,000
Nutrition and Food Programs	National School Lunch Program	100,000,000 ¹⁸⁸	1,400,000 ¹⁸⁹	1,200,000 ¹⁹⁰
Human Services	Temporary Assistance to Needy Families (TANF) Emergency Funds	5,000,000,000	69,000,000	48,000,000
Human Services	Title IV-E Adoption Assistance and	806,000,000	5,900,000	4,100,000

¹⁸⁸ See National School Lunch Program Equipment Assistance, ARRA Recovery Plan: http://www.recovery.gov/?q=content/program-plan&program_id=7787

¹⁸⁹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbeducation.htm>

¹⁹⁰ Ibid.

	Foster Care			
Human Services	Community Services Block Grant (CSBG)	1,000,000,000	24,900,000	4,900,000
Human Services	Child Support Enforcement	1,000,000,000	4,600,000	1,900,000
Infrastructure, Housing and Economic Development	Public Transportation Infrastructure	8,400,000,000	319,700,000	1,400,000
Infrastructure, Housing and Economic Development	Highway and Bridge Infrastructure	27,500,000,000	437,900,000	16,500,000
Infrastructure, Housing and Economic Development	Community Development Block Grant (CDBG)	1,000,000,000	29,100,000	22,000
Infrastructure, Housing and Economic Development	Public Housing Capital Fund	3,000,000,000	81,900,000	3,100,000
Infrastructure, Housing and Economic Development	Tax Credit Assistance Recovery Grants	2,250,000,000	59,600,000	0
Infrastructure, Housing and Economic Development	Project Based Rental Assistance	2,000,000,000	119,000,000	70,600,000
Infrastructure, Housing and Economic Development	Neighborhood Stabilization Project	2,000,000,000	Unknown, at least 20,000,000	0
Infrastructure, Housing and Economic Development	Assisted Housing Stability and Energy and Green Retrofit Investments	250,000,000 ¹⁹¹	Unknown	0
Infrastructure, Housing and Economic	Lead Hazard Reduction and Healthy Homes	100,000,000 ¹⁹²	10,400,000 ¹⁹³	421,000 ¹⁹⁴

¹⁹¹ U.S. Department of Housing and Urban Development: <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

¹⁹² U.S. Department of Housing and Urban Development: <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

¹⁹³ U.S. Department of Housing and Urban Development: http://portal.hud.gov/portal/page/portal/RECOVERY/programs/LEAD_PORTLET/healthyhomes.xls

¹⁹⁴ See U.S. Department of Housing and Urban Development Financial Activity Report from September 18, 2009: http://www.recovery.gov/sites/default/files/financial_and_activity_report_20090915HUD.xls

Development				
Infrastructure, Housing and Economic Development	Public Housing Capital Fund Competitive Grants	995,000,000 ¹⁹⁵	13,700,000 ¹⁹⁶	0
Infrastructure, Housing and Economic Development	Native American Housing Block Grant	510,000,000 ¹⁹⁷	4,300,000 ¹⁹⁸	151,000
Infrastructure, Housing and Economic Development	Homelessness Prevention	1,500,000,000	44,800,000	0
Infrastructure, Housing and Economic Development	Workforce Development Programs ¹⁹⁹	3,515,000,000	64,200,000	17,700,000
Infrastructure, Housing and Economic Development	Workforce Competitive Grants for High-Growth Sectors	750,000,000	6,000,000	0
Infrastructure, Housing and Economic Development	Unemployment Insurance Modernization	7,000,000,000	162,700,000	0
Infrastructure, Housing and Economic Development	Unemployment Insurance Increased and Extended Benefits	36,300,000,000	Unknown	816,000,000
Infrastructure, Housing and Economic Development	Community Service Employment for Older Americans	120,000,000	517,000 ²⁰⁰	0
Energy and Environment	Energy Efficiency Block Grants	3,200,000,000	42,200,000	Information available after Oct. 10 reporting deadline

¹⁹⁵ U.S. Department of Housing and Urban Development (please note that the HUD description merges the \$3 billion of formula grants with \$1 billion in competitive grants for a total \$4 billion in ARRA funds for Public Housing): <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

¹⁹⁶ See U.S. Department of Housing and Urban Development Financial Activity Report from September 18, 2009:

http://www.recovery.gov/sites/default/files/financial_and_activity_report_20090915HUD.xls

¹⁹⁷ See U.S. Department of Housing and Urban Development: <http://portal.hud.gov/portal/page/portal/RECOVERY/about>

¹⁹⁸ See U.S. Department of Housing and Urban Development Financial Activity Report from September 18, 2009

http://www.recovery.gov/sites/default/files/financial_and_activity_report_20090915HUD.xls

¹⁹⁹ These Workforce Development Funds total also includes workforce programs, such as Wagner-Peyser Employment Services funds, that are not included in the text of this document. More information can be found on the Massachusetts Recovery Website:

<http://www.mass.gov/bb/arra/brec/ga/fedstimcatgalaborworkforce.htm>

²⁰⁰ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgalaborworkforce.htm>

Energy and Environment	Clean and Safe Drinking Water Revolving Funds	6,000,000,000	186,600,000	0
Energy and Environment	State Energy Programs	3,100,000,000	54,900,000	0
Energy and Environment	Weatherization Assistance Program	5,000,000,000	122,100,000	15,600,000
Energy and Environment	National Resource Conservation Service	340,000,000 ²⁰¹	4,400,000 ²⁰²	Information available after Oct. 10 reporting deadline
Energy and Environment	Habitat Restoration Funds	230,000,000	Unknown	Unknown
Energy and Environment	Brownfield Cleanup Funds	100,000,000 ²⁰³	2,700,000 ²⁰⁴	Information available after Oct. 10 reporting deadline
Energy and Environment	Superfund Hazardous Waste Cleanup Funds	600,000,000 ²⁰⁵	75,000,000 ²⁰⁶	166,000 ²⁰⁷
Energy and Environment	Leaking Underground Storage Tank Cleanup Funds	200,000,000 ²⁰⁸	3,100,000 ²⁰⁹	0 ²¹⁰
Energy and Environment	Diesel Emissions Reduction Funds	300,000,000 ²¹¹	Unknown, at least 4,300,000 ²¹²	Unknown
Energy and Environment	Smart Grid Investment Program	4,500,000,000 ²¹³	Unknown, at least 7,600,000 ²¹⁴	Unknown
Energy and Environment	Production of Advanced Batteries and Components	2,000,000,000 ²¹⁵	At least 4,400,000 ²¹⁶	Unknown
Energy and Environment	Alternative Fueled Vehicles Pilot Grant Program	300,000,000 ²¹⁷	Unknown	Unknown
Energy and	Transportation Electrification Funds	400,000,000 ²¹⁸	Unknown	Unknown

²⁰¹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgaenergyenviron.htm>

²⁰² Ibid.

²⁰³ U.S. Environmental Protection Agency: <http://www.epa.gov/recovery/programs.html>

²⁰⁴ U.S. Environmental Protection Agency: http://www.epa.gov/brownfields/grant_announce/arrareglist.pdf

²⁰⁵ U.S. Environmental Protection Agency: <http://www.epa.gov/recovery/programs.html>

²⁰⁶ U.S. Environmental Protection Agency Financial Activity Report from September 18, 2009: http://www.recovery.gov/FAQ/Documents/EPA_Financial_and_Activity_Report_20090918.xls

²⁰⁷ Ibid.

²⁰⁸ U.S. Environmental Protection Agency: <http://www.epa.gov/recovery/programs.html>

²⁰⁹ U.S. Environmental Protection Agency Financial Activity Report from September 18, 2009: http://www.recovery.gov/FAQ/Documents/EPA_Financial_and_Activity_Report_20090918.xls

²¹⁰ Ibid.

²¹¹ U.S. Environmental Protection Agency: <http://www.epa.gov/recovery/programs.html>

²¹² U.S. Environmental Protection Agency: <http://www.epa.gov/otaq/diesel/projnational-aara.htm>

²¹³ U.S. Department of Energy: <http://www.energy.gov/recovery/statefunding.htm#EFFICIENCY>

²¹⁴ U.S. Department of Energy: <http://www.energy.gov/recovery/documents/recoveryactfunding.xls>

²¹⁵ U.S. Department of Energy: <http://www1.eere.energy.gov/recovery/documents/recoveryactfunding.xls>

²¹⁶ U.S. Department of Energy: http://www1.eere.energy.gov/recovery/pdfs/battery_warden_list.pdfm

²¹⁷ U.S. Department of Energy: <http://www.energy.gov/recovery/transportationfunding.htm>

Environment				
Energy and Environment	Fossil Energy Research and Development Funds	3,400,000,000 ²¹⁹	Unknown	Unknown
Energy and Environment	Advanced Energy Research Funds	1,600,000,000 ²²⁰	35,000,000 ²²¹	0 ²²²
Energy and Environment	Innovative Technology Loan Guarantee Program	8,500,000,000 ²²³	Unknown	0
Energy and Environment	Energy Efficiency and Renewable Energy Research	2,500,000,000	103,000,000	Information available after Oct. 10 reporting deadline
Energy and Environment	Electricity Delivery and Energy Reliability Funds	100,000,000	Unknown	0
Energy and Environment	Energy Efficiency Appliance Rebate Program	300,000,000 ²²⁴	At least 624,000 ²²⁵	0
Law and Public Safety	Justice Assistance Grants	2,000,000,000	40,800,000	12,600,000
Law and Public Safety	Community Oriented Policing Services	1,000,000,000	29,000,000	800,000
Law and Public Safety	Stop Violence Against Women Grants	225,000,000	2,900,000	0
Law and Public Safety	Internet Crimes Against Children Programs	50,000,000 ²²⁶	At least 774,000 ²²⁷	5,000
Law and Public Safety	Victim Compensation and Assistance	100,000,000 ²²⁸	1,200,000 ²²⁹	0
Education	Education Block Grant	39,700,000,000	813,000,000	355,000,000
Education	Flexible Block Grant	8,870,000,000	181,000,000	90,000,000
Education	State Innovation Fund	5,000,000,000	63,000,000	0
Education	Special Education Funds	12,200,000,000	299,300,000	14,500,000

²¹⁸ U.S. Department of Energy : <http://www.energy.gov/recovery/transportationfunding.htm>

²¹⁹ U.S. Department of Energy: <http://www.energy.gov/recovery/fossilfunding.htm>

²²⁰ U.S. Department of Energy: <http://www.energy.gov/recovery/hydrogenfunding.htm>

²²¹ U.S. Department of Energy: <http://www.energy.gov/recovery/documents/recoveryactfunding.xls>

²²² U.S. Department of Energy Financial Activity Report from September 18, 2009:

http://www.recovery.gov/FAQ/Documents/DOE_Financial_and_Activity_Report_20090918.xls

²²³ U.S. Department of Energy: <http://www.energy.gov/recovery/fossilfunding.htm>

²²⁴ U.S. Department of Energy: <http://www.energy.gov/recovery/efficiencyfunding.htm>

²²⁵ U.S. Department of Energy: <http://www.energy.gov/recovery/documents/recoveryactfunding.xls>

²²⁶ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgapublicsafety.htm>

²²⁷ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbpublicsafety.htm>

²²⁸ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgapublicsafety.htm>

²²⁹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbpublicsafety.htm>

Education	Title I Funds	13,000,000,000	163,400,000	4,200,000
Education	Education Technology Grants	650,000,000 ²³⁰	10,600,000 ²³¹	0
Education	Pell Grants	17,100,000,000 ²³²	363,500,000 ²³³	Unknown
Education	Federal Work Study	200,000,000 ²³⁴	9,300,000 ²³⁵	Unknown
Education	Child Care Development Block Grants	2,000,000,000	23,900,000	2,250,000
Education	Head Start and Early Head Start	2,100,000,000	10,100,000	0
Tax Changes	Making Work Pay Tax Credit	116,000,000,000	2,600,000,000	1,200,000,000
Tax Changes	Earned Income Tax Credit	5,000,000,000	66,000,000	0
Tax Changes	Child Tax Credit	15,000,000,000	177,600,000	0
Tax Changes	American Opportunity Tax Credit	14,000,000,000	193,500,000	15,000,000
Tax Changes	Alternative Minimum Tax	70,000,000,000	2,500,000,000	74,200,000
Other Benefits	One-Time Economic Recovery Payments	14,200,000,000	306,500,000	306,500,000
TOTAL		635,318,500,000	14,465,415,000	4,259,315,000

²³⁰ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgaeducation.htm>

²³¹ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbeducation.htm>

²³² U.S. Department of Education: <http://www.ed.gov/policy/gen/leg/recovery/implementation.html>

²³³ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgaeducation.htm>

²³⁴ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgaeducation.htm>

²³⁵ Massachusetts Recovery website: <http://www.mass.gov/bb/arra/brec/ga/fedstimcatgbeducation.htm>