

# Federal Stimulus Dollars for Louisiana

The American Recovery and Reinvestment Act of 2009 (ARRA) became law on February 17, 2009. Created to stimulate employment and economic growth throughout the country, the ARRA totals approximately \$787 billion, including 37% in tax cuts, 18% toward state and local fiscal relief, and the remaining 45% for social and spending programs such as expansion of food stamps, and highway and housing construction.<sup>1</sup> The state fiscal relief funds are intended to reduce the severity of budget cuts and preserve essential state and local services while the tax cuts and spending programs aim to stimulate the economy by bolstering consumption by individuals and businesses.

The table below briefly describes spending and tax programs within the ARRA and includes estimates of what Louisiana is expected to receive. This list includes provisions where data are currently available and does not take into consideration the Governor's intent to accept or deny certain funds. The Louisiana Division of Administration is using its pre-existing LaTrac online system ([www.stimulus.la.gov](http://www.stimulus.la.gov)) to track funds the state receives through the ARRA and show how those funds are spent.

Health		
Program <sup>2</sup>	Description	Louisiana
Federal Medical Assistance Percentage (FMAP)	Provides \$80 billion for a temporary increase in the percentage of Medicaid paid for by the federal government from October 1, 2008 through December 31, 2010.	\$492 million for fiscal year 2009 \$813 million for fiscal years 2010 and 2011
Disproportionate Share Hospital Program (DSH)	Provides \$548 million to help hospitals that serve a significantly disproportionate number of low-income patients.	\$37.1 million
Immunization	Provides \$300 million to support immunization activities.	\$2.4 million
Education		
Program <sup>3</sup>	Description	Louisiana
State Fiscal Stabilization Fund (SFSF)	Provides state and local governments some relief as they plan for upcoming revenue shortfalls. Two state block grants will produce the funds. The first fund designates \$39.5 billion for K-12 and higher education, while the second provides \$8.8 billion in a flexible grant that can be used to offset budget cuts in other state services. The SFSF also includes \$5 billion in incentive grants. <sup>4</sup>	\$580 million from the education block grant \$129 million from the flexible block grant
Title I Grants	Provides \$10 billion to local education agencies (LEA) for schools that have high concentrations of students from low-income families with an additional \$3 billion for schools identified for improvement.	\$177 million for LEAs \$57.2 million for school improvement
Individuals with Disabilities Education Act (IDEA)	Provides \$12.2 billion to state and local education agencies for special education.	\$202 million

Education Technology	Provides \$650 million to support education technology, including the purchase and maintenance of equipment, teacher training and curriculum development.	\$12.2 million
Vocational Rehabilitation	Provides \$540 million to support employment services for people with disabilities.	\$9.9 million
Student Financial Assistance	Provides \$15.6 billion <sup>5</sup> to cover prior year shortfalls, increase the maximum Pell to \$5,350 in 2009, and provide additional amounts for 2010.  Also provides \$200 million for College Work Study programs.	\$285 million in Pell Grant increase <sup>5</sup>  \$3.1 million for College Work Study
Energy & Infrastructure		
Program	Description	Louisiana
Highways & Bridges	Provides \$26.7 billion for highway and bridge projects throughout the state. <sup>6</sup>	\$430 million <sup>6</sup>
Transit Capital Grants	Provides \$8.4 billion for buses, rails, and other equipment to improve transit systems and facilities. <sup>7</sup>	\$65.7 million <sup>7</sup>
Drinking Water State Revolving Fund	Provides \$2 billion to support infrastructure development of drinking water systems. <sup>8</sup>	\$27.6 million <sup>8</sup>
Clean Water State Revolving Fund	Provides \$4 billion to support wastewater treatment projects. <sup>8</sup>	\$43.5 million <sup>8</sup>
Weatherization Assistance Program	Provides \$5 billion for weatherization and energy conservation services for low-income households to reduce their energy bills by making their homes more energy efficient. <sup>9</sup>	\$50.7 million <sup>10</sup>
State Energy Program	Provides \$3.1 billion for various energy efficiency and renewable energy projects. <sup>9</sup>	\$71.7 million <sup>10</sup>
Energy Efficiency & Conservation Block Grant	Provides \$3.2 billion for projects that reduce total energy use and fossil fuel emissions, and improve energy efficiency. <sup>11</sup>	\$24.6 million <sup>10</sup>
Housing & Community Development		
Program <sup>12</sup>	Description	Louisiana
Public Housing Capital Fund	Provides \$3 billion to develop, finance, and modernize public housing.	\$72.9 million
Tax Credit Assistance Program	Provides \$2.25 billion to boost stalled production of affordable rental housing projects that rely on Low-Income Housing Tax Credits.	\$39.4 million
Community Development Block Grant (CDBG)	Provides \$1 billion for state and local community development priorities.	\$17.4 million
Project-Based Rental Assistance	Provides \$2 billion to invest in 12-month funding for Section 8 project-based housing contracts.	\$20.0 million
Neighborhood Stabilization Program	Provides \$2 billion to address homes foreclosed and abandoned. <sup>5</sup>	\$19.8 million <sup>5</sup>

Emergency Shelter Grants (Homeless Prevention)	Provides \$1.5 billion for basic shelter and support services to homeless people, as well as short-term homeless prevention assistance to people at immediate risk for losing their homes.	\$26.6 million
Human Services		
Program	Description	Louisiana
Supplemental Nutrition Assistance Program (SNAP)	SNAP (formerly the Food Stamp Program) helps low-income individuals buy the food they need to maintain good health. The ARRA provides \$20 billion to increase maximum food stamp benefits by 13.6 percent until 2013, including \$300 million to cover administrative costs associated with increased program demand. <sup>4</sup>	\$461 million in total benefits, affecting 703,000 Louisianans <sup>4</sup>  \$5.9 million for administrative costs <sup>4</sup>
Child Support Enforcement	Provides \$1 billion for family services such as locating non-custodial parents, establishing paternity, establishing support orders, and collecting support payments. <sup>13</sup>	\$24.0 million <sup>13</sup>
Child Care Development Block Grant (CCDBG)	Provides \$2 billion to eligible low-income families to help pay for child care. <sup>14</sup>	\$40.0 million <sup>14</sup>
Head Start	Provides \$680 million for early care and education programs serving low-income pregnant women and children from birth to elementary school entry. <sup>15</sup>	\$15.5 million <sup>15</sup>
Foster Care & Adoption Assistance	Provides \$843 million to support adoption assistance and foster care programs. <sup>15</sup>	\$10.2 million <sup>15</sup>
Community Services Block Grant	Provides \$1 billion for states to lessen the causes and effects of poverty in their communities by offering a variety of services that address employment, education, housing, and other factors. <sup>5</sup>	\$23.5 million <sup>5</sup>
Labor		
Program	Description	Louisiana
Recovery Payments for Social Security, SSI, and Veterans Benefits	Provides a one-time Economic Recovery Payment of \$250 in 2009 for retirees, disabled individuals and SSI recipients, disabled veterans, and railroad retirement beneficiaries who received benefits in November or December 2008 or January 2009. Everyone who is eligible should receive payment by end of May 2009.	\$218 million paid to 871,000 Louisianans <sup>16</sup>
Unemployment Insurance (UI) Benefits	Provides \$35.8 billion to increase benefits \$25 a week and extends the deadline to qualify for the Emergency Unemployment Compensation benefits through December 2009. <sup>5</sup>	\$67.7 million in increased benefits <sup>5</sup>  \$104 million in extended benefits <sup>5</sup>
UI Modernization	Provides \$7 billion as incentive for states to modernize state programs and extend access to low-wage, part-time, or other unemployed workers, along with \$500 million for additional administrative costs. <sup>17</sup>	\$92 million in benefits <sup>17</sup>  \$6.6 million in administrative costs <sup>17</sup>

Training & Employment Services	Provides \$3.95 billion in additional funds for training and employment services through the Workforce Investment Act (WIA). Of these funds, \$2.95 billion will be distributed through standard WIA formula grants for dislocated workers and adult and youth services. The remaining \$1 billion are discretionary funds for non-formula grants. <sup>4</sup>	\$20.2 million for youth services <sup>4</sup>  \$9.8 million for dislocated workers <sup>4</sup>  \$8.8 million for adult services <sup>4</sup>
Tax-Related Benefits		
Program	Description	Louisiana
Making Work Pay Tax Credit	Provides a refundable tax credit of \$400 for individuals or \$800 for married couples. For people who receive a paycheck and are subject to tax withholding, they may see an increase in their take-home pay as a result of withholding changes being made this spring. Others can claim the credit on their 2009 income tax returns.	\$1.58 billion <sup>5</sup>  1.5 million Louisiana taxpayers <sup>18</sup>
Child Tax Credit	Expands the partially refundable credit that helps low income families cover the costs of raising a child by lowering the financial eligibility level.	\$261 million <sup>5</sup>
Earned Income Tax Credit (EITC)	Provides a temporary increase in the EITC for working families with 3 or more children.	\$68.6 million <sup>5</sup>
Other		
Program	Description	Louisiana
Byrne/Justice Assistance Grant (JAG)	Provides funds for activities that prevent and control crime and improve the criminal justice system.	\$35.3 million <sup>19</sup>

## About the Louisiana Budget Project

LANO formed the Louisiana Budget Project (LBP) in 2006 to increase public awareness of, information on and input into the state budget preparation process. The LBP monitors and reports on state government spending and how it affects Louisiana's low- to moderate-income families.

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<sup>1</sup> Recovery.gov. *Where is Your Money Going?* Downloaded at <http://www.recovery.gov/?q=content/investments>.

<sup>2</sup> Unless otherwise noted, data in this section come from Federal Funds Information for States. *State Allocations Under ARRA* (April 13, 2009).

<sup>3</sup> Unless otherwise noted, data in this section come from U.S. Department of Education, *Fiscal Year 2008-Recovery Act-FY 2009 State Tables for the U.S. Department of Education* (April 9, 2009). Downloaded from <http://www.ed.gov/about/overview/budget/statetables/09stbyprogram.pdf> on April 13, 2009.

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- <sup>4</sup> Center on Budget and Policy Priorities. *American Recovery and Reinvestment Act of 2009: State-by-state estimates of key provisions affecting low-and moderate-income individuals* (March 3, 2009). Downloaded from <http://www.cbpp.org/1-22-09bud.pdf>.
- <sup>5</sup> Center for American Progress. *The Nationwide Allocation of Recovery Funding: An Interactive Map on the final House-Senate Compromise* (February 13, 2009). Downloaded from [www.americanprogress.org/issues/2009/02/av/recovery\\_compromise.xls](http://www.americanprogress.org/issues/2009/02/av/recovery_compromise.xls) on April 2, 2009.
- <sup>6</sup> U.S. Department of Transportation Federal Highway Administration. *Apportionment of Funds for Highway Infrastructure Investment Pursuant to the American Recovery and Reinvestment Act of 2009*(March 2, 2009). Downloaded at <http://www.fhwa.dot.gov/legregs/directives/notices/n4510705t1.htm> on April 3, 2009.
- <sup>7</sup> U.S. Department of Transportation Federal Transit Administration. *State-by-State Transit Formula Program Table*. Downloaded at [http://www.fta.dot.gov/index\\_9440\\_9289.html](http://www.fta.dot.gov/index_9440_9289.html) on April 3, 2009.
- <sup>8</sup> U.S. Environmental Protection Agency. *SRF Allotments based on Final Economic Recovery Appropriations (3/12/09)*. Downloaded at [http://www.epa.gov/water/eparecovery/docs/Final\\_SF\\_eco\\_recovery\\_allotments.pdf](http://www.epa.gov/water/eparecovery/docs/Final_SF_eco_recovery_allotments.pdf) on April 3, 2009.
- <sup>9</sup> U.S. Department of Energy. *Overview of the American Recovery and Reinvestment Act of 2009(Recovery Act)*. Downloaded at <http://www.energy.gov/recovery/index.htm> on April 3, 2009.
- <sup>10</sup> U.S. Department of Energy. *Louisiana*. Downloaded at <http://www.energy.gov/louisiana.htm> on April 2, 2009.
- <sup>11</sup> U.S. Department of Energy. *Obama Administration Announces Additional \$24,624,200 for Local Energy Efficiency Improvements in Louisiana*. March 26, 2009. Downloaded at <http://www.energy.gov/7140.htm> on April 3, 2009.
- <sup>12</sup> Unless otherwise noted, data come from U.S. Department of Housing and Urban Development. *American Recovery and Reinvestment Act of 2009 – HUD Allocations, Primarily Formula*. Downloaded from <http://www.hud.gov/recovery/tcap.cfm> “State Total (all programs)” on April 7, 2009.
- <sup>13</sup> Vicki Turetsky, *How Much Restored Child Support Funding Will Each State Receive Under the American Recovery and Reinvestment Act?*. Center for Law and Social Policy, February 13, 2009. Downloaded at <http://www.cbpp.org/1-22-09bud.pdf>.
- <sup>14</sup> Center for Law and Policy. *Impact of American Recovery and Reinvestment Act (ARRA) of 2009 on Child Care and Development Block Grant (CCDBG) Funding*. February 13, 2009. Downloaded at [http://www.clasp.org/publications/aara\\_childcarestatealloc.pdf](http://www.clasp.org/publications/aara_childcarestatealloc.pdf).
- <sup>15</sup> Federal Funds Information for States. *State Allocations Under ARRA* (April 13, 2009).
- <sup>16</sup> The number of recipients comes from Center for Budget Policy and Priorities. *American Recovery and Reinvestment Act of 2009: State-by-state estimates of key provisions affecting low-and moderate-income individuals* (March 3, 2009). Downloaded from <http://www.cbpp.org/1-22-09bud.pdf>. (Estimated 871,000 \* \$250 = \$217,750,000).
- <sup>17</sup> National Employment Law Project. *The Unemployment Insurance Modernization Act: Filling the Gaps in the Unemployment Safety Net While Stimulating the Economy*. November 2008. Downloaded from <http://www.nelp.org/page/-/UI/UIMAFactSheet2008.pdf?nocdn=1>.
- <sup>18</sup> Arloc Sherman, *Tax Aid in Recovery Package Would Reach Large Numbers of Workers in Every State*. Center on Budget Policy and Priorities, February 26, 2009. Downloaded at <http://www.cbpp.org/1-21-09tax3.htm> on March 5, 2009.
- <sup>19</sup> Bureau of Justice Assistance. *Recovery Act: Justice Assistance Grant (JAG) Program: Allocations and Disparate Information*. Downloaded at <http://www.ojp.usdoj.gov/BJA/recoveryJAG/recoveryallocations.html> on April 3, 2009.