Stimulus Package: The American Recovery and Reinvestment Act of 2009

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May 3, 2015

INTRODUCTION

On February 17, 2009 President Barack Obama signed one of the most expensive pieces of legislation in US history. At over $787 billion dollars, the American Recovery and Reinvestment Act directed more funding to the US economy than previous recovery plans of the late twentieth century combined. With so much funding being devoted to reinvigorate the U.S. economy, how would all the money be spent? What departments would benefit the most from this legislation? This paper demonstrates that documentation for the American Recovery and Reinvestment Act (ARRA) can be found through government information resources.[1]

METHODS

My method for investigating the ARRA entailed starting with general government websites and databases before moving to specialized resources. In this light, I started locating ARRA related information using databases such as USA.gov, FDSys.gov and the Catalog of US Government Publications. My initial investigation also included searching general government websites such as Congress.gov and Whitehouse.gov. By using these resources I located Recovery.gov, which is a government website devoted to tracking stimulus funding. These generalized searches provided a starting point to further investigate the main US departments involved in ARRA funding.

After identifying US departments that received ARRA funding, the second part of my investigation followed where I directed my focus to individual government department websites and databases. For example, the Department of Health and Human Services (HHS) received

[1] For a copy of the American Recovery and Reinvestment Act of 2009 see Pub. L, 111-5 at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_public_laws&docid=f:publ005.pdf. Accessed 05/03/15.

over $160 billion from the Recovery Act.[2] Recovery.gov provides a general overview of HHS spending. For a more detailed picture of HHS spending I was able to locate a department webpage devoted to analyzing HHS recovery programs.[3] In a similar fashion, I searched the websites and databases of the Department of Education, Department of Labor, Department of Agriculture, Department of Transportation and Department of Energy. Together, along with tax relief, these six departments constituted over 80% of ARRA allocations.

Department of Health and Human Services (www.hhs.gov/recovery)

In 2009, the ARRA allocated over $140 billion to the Department of Health and Human Services for eight initiatives. The largest initiative was HHS's *Improving and Preserving Health Care*, which received $105.4 billion.[4] The allocation was made to stabilize state Medicaid programs, which were declining as a result of the recession. Under *Improving & Preserving Health Care* initiative, HHS ran the "Temporary Increase of the Medicaid Federal Medical Assistance Percentage (FMAP) Implementation Plan." FMAP assigned $83.4 billion to aid state health programs as they cared for an increase in under- and unemployed Americans.[5]

HHS ran other programs under the *Improving and Preserving Health Care* initiative. The "Savings to States for Medicaid Prescription Drug (Part D) Costs" received $5 billion for aiding individuals seeking prescription drug assistance, while the "Temporary Increase in Medicaid Disproportionate Share Hospital (DSH) Allotments Implementation Plan" and the "Extension of

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[2] US Dept of Health and Human Services (2011), "Overview." Found online at http://www.hhs.gov/recovery. Accessed 05/03/15.

[3] For a detailed description of HHS Recovery programs see, US Dept of Health and Human Services (2011), "Recovery Act-Funded Programs," located online at http://wayback.archive-it.org/3909/20130927155711/http://www.hhs.gov/recovery/programs/index.html#. Accessed 05/03/15.

[4] US Dept of Health and Human Services (2011), "Improving & Preserving Health Care." Found online at http://wayback.archive-it.org/3909/20130927155711/http://www.hhs.gov/recovery/programs/index.html#. Accessed 05/03/15.

[5] Ibid.

the Qualified Individuals (QI) Program each received about half a billion dollars to provide health care for low income individuals.

In addition to *Improving and Preserving Health Care*, HHS ran other initiatives and programs.   The ARRA allocated $26 billion to *Health Information Technology* to promote and expanding IT throughout the health care system. The *Children and Community Support Services* received $13.3 billion to fund community programs such as meals for the elderly, adoption and foster care assistance, Head Start and subsidized child care. *Scientific Research & Facilities* received $10 billion to support research and the construction of new NIH facilities, while *Community Health Care Services* received $3 billion to expand, improve and renovate community health centers. *Comparative Effectiveness Research* (CER) received $1 billion to compare treatments and strategies to improve health, while *Prevention and Wellness* received the same amount for community-based prevention programs including immunization operations and fighting healthcare associated infections. HHS's smallest initiative was *Accountability and IT Security*, which received $100 million to improve the security of HHS's IT infrastructure.

Department of Education (www.ed.gov/recovery)

The Department of Education (ED) received roughly $100 billion in ARRA appropriations. The largest initiative ED supported with appropriations was the State Fiscal Stabilization Fund (SFSF) which received $54 billion. In 2009, SFSF was needed to stabilize state fiscal budgets in order to minimize the effects of an imploding economy. SFSF filled in state education spending gaps due to reductions in state revenue. The overall purpose of SFSF was to minimize and avoid reductions in education and other essential public services.[6]

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[6] For more information on SFSF see, US Dept of Education, "State Fiscal Stabilization Fund." Found online at http://www2.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html. Accessed 05/03/15.

Within ED the second largest ARRA allocation was for Local Education Agencies (LEAs), which received over $10 billion. In 2009, grants for LEAs were used to improve teaching and learning in school districts with students at risk of failing to meet state academic achievement standards.[7] Funds were needed to improve school facilities, recruit and train education personnel and increase funding for afterschool initiatives. Grants for LEAs ran in partnership with the third largest initiative from the ED known as Race to the Top.

In 2009, Race to the Top received $4 billion in ARRA funding. The allocation was used to advance school reform around four specific areas. First, schools were encouraged to adopt standards and assessments that prepared students to succeed in college and the workplace. Second, schools were required to build data systems that measured student growth and success. (The data systems were also to inform teachers and principals about how they could improve instruction at their schools.) Third, Race to the Top encouraged school districts to reform how they recruit, develop, reward and retain effective teachers and principals so they have a better success rate. Finally, the program aimed to turn around low-achieving schools by drastically overhauling the schools or closing them outright.[8]

Department of Labor (www.dol.gov/recovery)

The Department of Labor (DOL) received roughly $66 billion in ARRA appropriations to perform two key roles. First, DOL was to provide training for new jobs made available through

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[7] US Dept of Education (2009), "American Recovery and Reinvestment Act of 2009: Title I, Part A Funds for Grants to Local Education Agencies." Found online at http://www2.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html. Accessed 05/03/15.

[8] US Dept of Education (2009), "Turning Around the Bottom Fiver Percent." Found online at http://www2.ed.gov/news/speeches/2009/06/06222009.html. Accessed 05/03/15.

ARRA funding.[9] Second, the DOL was to ease the burden of the recession by providing extended unemployment benefits to citizens negatively affected by the economy. To this end, the DOL funded five programs with ARRA allocations. The largest initiative fell to the Employment and Training Administration (ETA). To cover unemployment expenses for states adversely affected by the recession, the ETA distributed $7 billion in ARRA funding.[10] Aside from subsidizing unemployment expenses for states, the ETA also helped to provide policy guidance and direction for the DOL for activities authorized under the Workforce Investment Act (WIA), Subtitle D, Section 166, Native American Programs, National Emergency Grants (NEGs), the Senior Community Service Employment Program (SCSEP), and the Wagner-Peyser Act.[11]

Four additional programs followed that aided citizens adversely affected by the recession. The Employee Benefits Security Administration (EBSA) provided guidance for premium reductions and additional election opportunities for health benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA). As employees suffered layoffs due to a downturn in the economy extended COBRA health insurance ran out after a period of 18 or 36 months (depending on the state). The EBSA helped to extend the amount of time citizens could be on COBRA. COBRA premium reductions were made available for individuals who experienced involuntary termination on or before May 31, 2010.[12]

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[9] Many new jobs were being made available through the Department of Energy and Department of Transportation developing new infrastructure. See Bureau of Labor Statistics (2013), "BLS green jobs overview." *Monthly Labor Review*. Found online at http://www.bls.gov/opub/mlr/2013/01/art1full.pdf. Accessed 05/03/15.

[10] US Dept of Labor (2009), "Special Transfers for Unemployment Compensation Modernization and Administration and Relief from Interest on Advances." Found online at http://wdr.doleta.gov/directives/attach/UIPL/UIPL14-09.pdf. Accessed 05/03/15.

[11] US Dept of Labor (2009), "ETA Information Related to the American Recovery and Reinvestment Act of 2009." Found online at http://www.doleta.gov/recovery/. Accessed 05/03/15.

[12] US Dept of Labor, "COBRA Continuation Coverage." Found online at http://www.dol.gov/ebsa/COBRA.html. Access 05/03/15.

Three final programs utilized the remainder of DOL allocated funds. The Wage-Hour Division (WHD) used funding to ensure that recipients of appropriations had information on prevailing wage labor standards applicable to construction projects funded under the ARRA.[13] Finally, the Occupational Safety and Health Administration (OSHA) and the Office of Federal Contract Compliance Programs (OFCCP) used funding to ensure that worker protection laws were enforced as recovery infrastructure investments were carried out, and provided guidance through compliance evaluations and outreach activities ensuring that federal contractors were aware of their roles and responsibilities to provide equal employment opportunities without regard to race, gender, color, religion, national origin, disability or veterans' status under Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and the Vietnam Veterans' Readjustment Assistance Act of 1974 (VEVRAA).[14]

Department of Agriculture (www.usda.gov/recovery)

Through the ARRA the Department of Agriculture (USDA) received over $54 billion in funding. The USDA used ARRA funding to support five programs. The first and largest investment was in the Food and Nutrition Service (FNS) at over $45 billion. The FNS consists of five programs including the Supplemental Nutrition Assistance Program, the National School Lunch Program, the Emergency Food Assistance Program, the Food Distribution on Indian Reservations program and the Women, Infants and Children program.

The Supplemental Nutrition Assistance Program (SNAP) received $45 billion in ARRA funding to increase benefits serving families seeking assistance during the recession. It is

[13] US Dept of Labor, "Wage Hour Division." Found online at http://www.dol.gov/whd/recovery/#FactSheets. Accessed 05/03/15.
[14] US Dept of Labor, "OSHA's Role in the American Recovery and Reinvestment Act of 2009." Found online at https://www.osha.gov/dts/recovery/index.html. Accessed 05/03/15.

estimated that 97% of SNAP benefits were redeemed in grocery stores and at Farmer's markets within 30 days of allocation to families, providing an economic stimulus for grocery stores and farmers, while helping feed low-income families.[15] Similarly, the National School Lunch Program (NSLP) received $100 million for the purchase of school food service equipment.[16] And the Emergency Food Assistance Program (TEFAP) received $100 million to purchase food, thereby refilling their shelves, and $50 million for assistance with administrative functions.[17]

Rural Development constituted over $10 billion in ARRA funding to administer seven programs.[18] The first program, Single Family Housing (SFH) Direct Loan Program was established to provide financing to credit-and income-eligible individuals for a residence located in a rural area. Another program, the Broadband Loan and Grant Program, is tasked with ensuring that broadband service is provided to rural areas lacking access to the internet.[19] Other programs include the Business and Industry Guaranteed Loan Program, Community Facilities Loan and Grant Program and the Water and Waste Disposal Loan and Grant Program. Together these programs aim to expand opportunities and protect communities within rural America.

Department of Transportation (www.dot.gov/recovery)

Through the ARRA the Department of Transportation (DOT) received roughly $48 billion. The largest investment DOT made with their appropriations was in the Highway Infrastructure Investment Program (HIIP), which received over $27 billion in funding. The HIIP

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[15] US Dept of Agriculture, "Supplemental Nutrition Assistance Program." Found online at http://www.fns.usda.gov/arra/snap. Accessed 05/03/15.
[16] US Dept of Agriculture, "National School Lunch Program." Found online at http://www.fns.usda.gov/arra/nslp. Accessed 05/03/15.
[17] US Dept of Agriculture, "Emergency Food Assistance program." Found online at http://www.fns.usda.gov/arra/tefap. Accessed 05/03/15.
[18] US Dept of Agriculture, "Rural Development Recovery Funding Obligations." Found online at http://www.rd.usda.gov/recovery/. Accessed 05/03/15.
[19] US Dept of Agriculture, "Broadband Loan and Grant Program." Found online at http://www.rd.usda.gov/recovery/broadband.html. Accessed. 05/03/15.

set in motion a plan to redevelop America's aging road networks. Through the HIIP over $7 billion was set aside for paving and widening roads, while another $700 million was for transportation enhancements such as signage, lights and safety management.[20] Bridge replacement and improvement totaled over 1 billion, while new bridge construction was allocated at roughly $585 million.[21] The goal of these initiatives was to create jobs in the short term while investing in US infrastructure in the long term. To this end, with ARRA funding the DOT ran five other initiatives including rail, air, mass transit and maritime redevelopment programs.

At roughly $10 billion, the second largest DOT initiative was the railroad system. Two rail programs dominated the ARRA railroad initiative. The first is the "Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Corridors," which was allocated $8 billion. The objective of the high speed rail program is twofold. First, the program aims to build an efficient, high speed passenger rail network connecting major population centers 100 to 600 miles apart. Second, the program aims to lay the foundation for the modernized transportation system by upgrading the reliability and service of current conventional intercity passenger rail.[22] The ARRA allocated another $1.3 billion in "Capital Grants to the National Railroad Passenger Corporation." The objective of this second program is to improve and expand Amtrak's railcars, locomotives, tracks, bridges, tunnels and signals.[23]

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[20] US Dept of Transportation, "Federal Highway Administration Highway Infrastructure Investment Program Performance Plan." Found online at http://www.dot.gov/sites/dot.dev/files/docs/RECOVERY_PROGRAMS_Highway Infrastructure Investment.pdf. Accessed 05/03/15.

[21] Ibid.

[22] See US Dept of Transportation (2015), "Rail Programs." Found online at http://www.dot.gov/policy-initiatives/recovery/rail-programs. Accessed 05/03/15.

[23] US Dept of Transportation (2015), "Capital Grants to the National Railroad Passenger Corporation." Found online at http://www.dot.gov/policy-initiatives/recovery/rail-programs. Accessed 05/03/15.

Department of Energy (www.energy.gov/recovery-act)

In 2009, the Department of Energy (DOE) received almost $32 billion in appropriations. The largest initiative the DOE ran was the *Energy Efficiency and Renewable Energy* (EERE) program with over $17 billion in ARRA support. The primary objective of the EERE was to stimulate economic recovery while developing renewable electricity generation and advance transportation options.[24] To develop renewable electricity generation, EERE made investments in public and private renewable energy options such as geothermal, wind, and solar power generation centers. EERE also set aside funding for biomass and biorefinery systems as well as advanced battery manufacturing.

Aside from the EERE, the DOE invested ARRA funds into key areas including smart grid infrastructure, expanding innovative research, and cleaning up the nation's nuclear waste.[25] The DOE allocated $4 billion in ARRA funding to modernize and build a more stable, secure and nationwide electrical system that facilitates access to renewable energy sources and allows consumers to better manage their energy consumption.[26] In addition to EERE and modernizing the grid, the DOE allocated $3 billion to carbon capture and storage as well as $2 billion to science and innovation.

One of the most expensive initiatives run by the DOE is the Cold War Legacy Clean-up. The DOE is charged with cleaning up the legacy of the nation's nuclear weapons program. To this end, the Office of Environmental Management (EM) received $6 billion in ARRA funding to accelerate cleanup work at 17 sites, reducing the lifecycle costs to taxpayers and helping to

[24] For more information on the Energy Efficiency initiative see, US Dept of Energy (2009), "American Recovery and Reinvestment Act Program Plan for the Office of Energy Efficiency and Renewable Energy." Found online at http://energy.gov/sites/prod/files/edg/recovery/documents/Energy_Efficiency_and_Renewable_Energy_Program_Plan.pdf. Accessed 05/03/15.

[25] US Dept of Energy (2012), "Recovery Act Success." Found online at http://www.energy.gov/sites/prod/files/RecoveryActSuccess_Jan2012final.pdf. Accessed 05/03/15.

[26] Ibid.

protect the environment and the public.[27] In 2009, the ARRA's $6 billion investment was expected to reduce the nation's nuclear waste footprint by more than 40%. By 2012, the DOE exceeded this goal, reducing the footprint by roughly 70%.[28]

CONCLUSION

The American Recovery and Reinvestment Act of 2009 allocated over $787 billion to stimulate the U.S. economy. To locate information on the ARRA I first started with general government websites and databases such as Congress.gov, Whitehouse.gov, USA.gov, FDSys.gov and the Catalog of US Government Publications. By starting with these general websites I was able to identify key US departments involved in ARRA spending. I was also able to identify Recovery.gov, a specific government website tasked with tracking ARRA spending on a departmental and agency level.

After identifying key departments involved in ARRA spending, I next began searching US department websites and databases to understand how these departments were investing ARRA funds. Due to the substantial size of the ARRA, each US department established a specific webpage devoted to elucidating their use of ARRA funds. For example, the Department of Health and Human Services established HHS.gov/recovery, while the Department of Energy established energy.gov/recovery. Other departments followed suit with their own renditions of recovery web pages. On these pages, departments provided information on ARRA funded programs and reports of their activities.

By starting my search process broad and working my way to more specific departmental resources I was able to develop a well founded understanding of the American Recovery and

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[27] Ibid.
[28] Ibid.

Reinvestment Act. I would recommend a similar approach to finding other government resources.

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