

E-Newsletter January 2009

{As you may know, on Wednesday, the House of Representatives passed the American Recovery and Reinvestment Act by a vote of 244-188. Developed with the Obama Administration, this job creation package will rebuild America, making us more globally competitive and energy independent, transforming our economy for long-term growth, and investing quickly in the economy.

The need for action is both real and urgent. Banks are not lending, credit is frozen, and a staggering 2.6 million American jobs were lost last year alone. Our unemployment rate in Massachusetts is now at seven percent. We need a shock, an infusion of capital, to keep the economy from flat lining. This package will provide the jolt necessary to get our economy moving again. And the impact will be seen and felt quickly: the Congressional Budget Office estimates that if this bill is enacted, by the end of this year we will have 3.6 million more jobs than if we do nothing. In fact, the stimulus will bring or save 95,000 jobs in our state alone.

The stimulus' provisions are far-reaching, addressing everything from building a green economy to providing tax cuts to 95 percent of American workers. Here are some key investments I thought you would be interested to hear about:

Tax Cuts:

- **Tax Cuts for American Families (\$185 billion over 10 years)** –provides immediate and sustained tax relief through a refundable tax credit of up to \$500 per worker (\$1000 per couple filing jointly), phasing out at \$200,000 for couples filing jointly and \$100,000 for single filers. This bill also expands the child tax credit, the Earned Income Tax Credit, and the credit for first-time home purchasers.

- **Business Tax Incentives to Create Jobs and Spur Investment (\$20 billion over 10 years)** – provides incentives to create new jobs with tax credits for hiring recently discharged unemployed veterans and youth that have been out of work and out of school for the 6 months prior to hire; helps businesses quickly recover costs of new capital investment.

- **Tax Incentives to Spur Energy Savings and Create Green Jobs (\$20 billion over 10 years)** – extends the production tax credit (PTC) for electricity derived from alternative sources (i.e. wind, biomass, geothermal, hydropower); expands tax credits for energy efficient investments in homes.

Helping Workers Hurt by the Recession: · Helping Workers Find Jobs – provides approx. \$5 billion for job training and placement services.

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Extending and Improving Unemployment Benefits

– continues through December 2009 the extended unemployment benefits program (which provides up to 33 weeks of extended benefits), thereby helping an additional 3.5 million jobless workers.

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Increasing Food Stamp Benefits

– by over 13% to help offset rising food costs for more than 31 million Americans, half of whom are children.

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Increasing Low-Income Home Energy Assistance (LIHEAP)

– provides \$1 billion to help low-income families pay for home heating and cooling.

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Expanding Housing Assistance

– increases support for several critical housing programs, including providing \$4.2 billion to help communities purchase and rehabilitate foreclosed, vacant properties; \$1.5 billion to provide short-term rental assistance and housing relocation and stabilization services for families; and \$22 billion in direct loans and loan guarantees to help rural families and individuals buy homes during the credit crunch.

Transportation Infrastructure:

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Modernizing Roads and Bridges

– creates 835,000 jobs through investment in transportation, with \$30 billion for highway construction.

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Improving Public Transit and Rail

– creates 200,000 jobs by making investments in transit and rail to reduce traffic congestion and our dependence on foreign oil.

Energy:

- **Smarter Energy Grid** - creates \$80 billion in temporary loan guarantees for renewable energy power generation and electric transmission projects that begin in the next two years.

- **Improving Energy Efficiency in Housing** – invests in energy efficiency upgrades in

HUD sponsored low-income housing, public housing, and more than 1 million modest-income homes.

- **Green Job Training and Energy Efficient Schools** - \$500 million to train workers for green-collar jobs.

Science, Technology, & Innovation:

- **National Institutes of Health** – \$1.5 billion for biomedical research jobs to study diseases such as Alzheimer’s, Parkinson’s, cancer, and heart disease.

- **Broadband and Wireless Service** - \$6 billion for extending broadband and wireless services to underserved communities across the country, so that rural businesses can compete.

Health Care: · **Protecting Health Care Coverage for Millions Through Medicaid** – provides an estimated \$87 billion in additional federal funds to help states maintain their Medicaid programs in the face of massive state budget shortfalls.

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Providing Health Insurance for Unemployed Workers

–provides a 65% subsidy for COBRA premiums for up to 12 months.

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Modernizing the Health Care System –

provides \$20 billion to accelerate adoption of Health Information Technology (HIT) systems to modernize save billions of dollars, create high-tech jobs, reduce medical errors, and improve quality.

Education:

- **Making College More Affordable** – improves current higher education tax credits and makes them accessible to more low-income students

- **Investing in Early Childhood Development** – provides \$2.1 billion for Head Start thereby providing services for 110,000 additional children; provides \$2 billion to provide child care services to an additional 300,000 children in low-income families.

- **Preventing Teacher Layoffs and Education Cuts by the States** – establishes a \$79 billion State Fiscal Stabilization Fund to prevent teacher layoffs and other cuts in education.

The scope of this package reflects the gravity of the economic crisis. This investment in American infrastructure and American workers will put us back on track and help us lay a solid foundation to build upon. Sincerely,

John W. Olver
Member of Congress