



## Summary of Federal Recovery Funds for Georgia

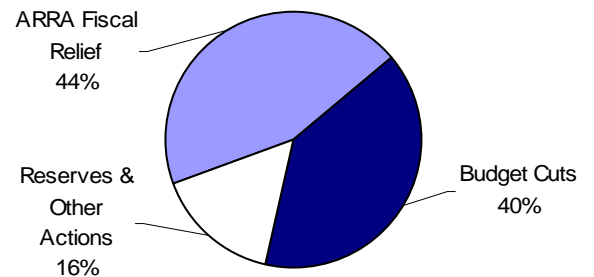
By Sarah Beth Gehl, Deputy Director

More than \$6 billion in federal funds from the American Recovery and Reinvestment Act (ARRA) are allocated to Georgia to provide state fiscal relief and support investments in transportation, technology, healthcare, education, housing, and many other state and local services.<sup>1</sup> While funding new investments in items like roads and home weatherization, recovery funds will also assist Georgia to maintain essential state services as tax revenues decline. Georgia's fiscal year 2010 budget uses \$1.39 billion in federal recovery funds to help close the budget shortfall, filling 44 percent of the \$3.1 billion total budget deficit.<sup>2</sup>

In addition to programmatic funding, billions of dollars in federal recovery funds flow directly to Georgia families. New and expanded tax credits from the Make Work Pay Credit, Child Tax Credit, and Earned Income Tax will bring an estimated \$4.6 billion to Georgia over several years.<sup>4</sup> Families receiving food stamp benefits are already getting a higher benefit due to ARRA funds, with an estimated \$666 million in additional benefits flowing directly to residents over the next few years. Unemployed workers will receive expanded benefits, as will retirees, veterans, and persons with disabilities.

The following tables identify over \$12 billion Georgia is allocated or estimated to receive through direct assistance to families, state fiscal relief, and state and local investment.<sup>5</sup> Additional funding is available to Georgia through competitive grants and other streams.

### Closing the \$3 Billion Budget Gap for FY 2010



### ARRA: Purposes and Target Areas

- "The purposes of this Act include the following:
- To preserve and create jobs and promote economic recovery.
  - To assist those most impacted by the recession.
  - To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
  - To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
  - To stabilize State and local government budgets..."
- American Recovery and Reinvestment Act of 2009

Nationally, ARRA funds will go to tax relief (38%), state & local government aid (18%), infrastructure & science (14%), protecting the vulnerable (10%), healthcare (7%), education & training (7%), energy (5%), and other (1%).<sup>3</sup>

## FISCAL RELIEF

Program	Federal Funding Details	GA's Allocation
Medicaid	Increases federal match rate for Medicaid between October 2008 and December 2010. To receive funds, states cannot make eligibility rules and procedures more restrictive than those in effect July 1, 2008. As with the State Fiscal Stabilization Fund, these funds help close the state budget deficit.	\$1.65 billion
State Fiscal Stabilization Fund (SFSF)	Provides an education block grant for K-12 and higher education, as well as a flexible block grant for education, state services, and school renovation and repair with the intention of preventing cuts in state services.	\$1.54 billion

## TAX CREDITS<sup>6</sup>

Program	Federal Funding Details	GA's Allocation
Making Work Pay Credit	Creates a refundable income tax credit worth a maximum of \$400 per worker in 2009 and 2010. The credit phases out for those with more than \$75,000 in adjusted gross income (\$150,000 for married filing jointly).	\$3.7 billion
Child Tax Credit	Expands eligibility for the maximum \$1,000 child tax credit.	\$711.4 million
Earned Income Tax Credit (EITC)	Temporarily increases the EITC for families with three or more children and reduces the existing marriage penalty for married couples filing jointly.	\$191.8 million
Additional Tax Credits	Provides additional credits including an employer tax credit and a \$2,500 credit for college tuition, and eliminates the repayment requirement for the 2009 homebuying credit.	Unknown

## INFRASTRUCTURE AND ENVIRONMENT

Program	Federal Funding Details	GA's Allocation
Highway Infrastructure	Provides additional funding for highway and bridge projects, prioritizing projects that can be completed in three years, are located in economically distressed areas, and can maximize job creation.	\$931.6 million
Transit Capital Assistance	Provides funds for transit capital expenses.	\$143.6 million
Weatherization Assistance Program	Provides additional funds to help low-income families weatherize their homes to reduce energy use and costs.	\$124.8 million
State Energy Program	Provides funds to promote energy conservation.	\$82.5 million
Energy Efficiency Block Grant	Provides funds for energy efficiency improvements and carbon emission reductions.	\$67.2 million
Clean Water State Revolving Fund	Provides funds to upgrade wastewater treatment systems.	\$66.9 million
Drinking Water State Revolving Fund	Provides funds to improve water quality infrastructure.	\$54.8 million
Rail Modernization	Provides funds for rail infrastructure investment.	\$7.4 million
Watershed Rehab	Provides funds for watershed infrastructure improvements.	\$6.3 million
Underground Storage Tanks (LUST)	Provides funds for the remediation of leaking underground storage tanks.	\$5.0 million

## PROGRAMS TO ASSIST LOW- AND MODERATE-INCOME GEORGIANS

Program	Federal Funding Details	GA's Allocation
<b>Supplemental Nutrition Assistance Program (SNAP)</b>	Provides funding to increase SNAP (i.e. food stamp) benefits by 13.6%, \$80 per month for a family of four, from 2009 through 2013. The three-month time limit for able-bodied adults without dependents was removed until October 2010, and additional funding provided for administration of increased caseloads.	\$666 million for benefits \$10.5 million for administration
<b>Benefits for Retirees, Veterans, and People with Disabilities<sup>7</sup></b>	Provides a \$250 one-time payment in 2009 to recipients of Social Security, Supplemental Security Income, railroad retirement benefits, and veterans disability compensation or pension benefits.	\$383.3 million
<b>Temporary Assistance for Needy Families (TANF)</b>	Provides funding to help states meet any or all of the following: increased need for TANF assistance, expansion of short-term emergency assistance, or expansion of subsidized employment. To receive funds, Georgia must have state matching funds and 1) rising TANF caseloads, 2) increased spending for non-recurrent short term benefits, or 3) increased spending for subsidized employment.	\$165.4 million
<b>Child Care and Development Block Grant</b>	Provides additional funding for child care assistance for low-income working families.	\$82.8 million
<b>Child Support Enforcement</b>	Provides funding to temporarily suspend the 20% reduction in federal child support funding from the Deficit Reduction Act of 2005.	\$43.3 million
<b>Homelessness Prevention Fund</b>	Provides funds for short-term rental assistance and security deposits to prevent homelessness and assist families that are homeless.	\$33.6 million
<b>Community Services Block Grant</b>	Provides funds to local communities to address poverty through employment, housing, nutrition, education, and other services.	\$26.9 million
<b>Title IV-E Foster Care and Adoption Assistance</b>	Provides additional funds for foster care and adoption assistance payments.	\$10.1 million
<b>The Emergency Food Assistance Program (TEFAP)</b>	Provides funds for food banks, food pantries, and soup kitchens for the purchase of food supplies, as well as funds for administration.	\$4.9 million
<b>Emergency Food and Shelter Program</b>	Provides funds to local agencies working to prevent homelessness and/or providing shelter and food to homeless individuals.	\$3.3 million
<b>Nutrition Services for Seniors</b>	Provides additional funds for Meals on Wheels and other elder nutrition services.	\$2.4 million
<b>Community Service Employment for Older Americans</b>	Provides funds to offer part-time employment opportunities to low-income residents aged 55 and over.	\$527,000

## EDUCATION

Program	Federal Funding Details	GA's Allocation
<b>Title I</b>	Provides additional Title I grants to states and school districts for schools with a high concentration of students living in low-income families.	\$455.2 million
<b>Individuals with Disabilities Education Act (IDEA)</b>	Provides additional funds to assist states and school districts with the costs of meeting federal requirements for educating children with disabilities.	\$338.9 million
<b>Pell Grants<sup>8</sup></b>	Increases the maximum Pell Grant for low-income students by \$500 for two years and resolves the existing program deficit.	\$543.4 million
<b>Educational Technology State Grants</b>	Provides grants for states to support education technology, including computer and science labs and teacher technology training.	\$22.1 million
<b>Head Start and Early Head Start</b>	Provides additional funds for early childhood education for low-income children. Head Start funds will be provided based on the existing formula. Early Head Start funds will be provided on a competitive basis.	\$17.3 million
<b>Federal Work-Study Program</b>	Provides additional funds to students in the Federal Work-Study Program to assist them in financing the cost of higher education.	\$4.6 million
<b>National School Lunch Program Equipment Assistance</b>	Provides funds to schools to purchase kitchen equipment for meal preparation.	\$4.4 million
<b>McKinney-Vento Education for Homeless Children &amp; Youth</b>	Provides additional funds to states to provide access to education services for homeless children and youth.	\$1.9 million
<b>Impact Aid</b>	Provides construction funding through formula to local educational agencies, with additional funds awarded through competitive grants.	\$1.6 million

## ASSISTANCE FOR UNEMPLOYED WORKERS

Program	Federal Funding Details	GA's Allocation
<b>Unemployment Insurance (UI) Modernization</b>	Provides funds to states that modernize their UI systems by expanding access for low-wage, part-time, and female workers, as well as funds to support operating costs. Georgia has adopted UI changes to qualify for these funds.	\$220.3 million <sup>9</sup> \$15.7 million for administration
<b>Workforce Investment Act (WIA)</b>	Provides additional funds for at-risk youth, dislocated workers, and adults for training and employment services.	\$88.3 million
<b>UI Benefits</b>	Increases benefits by \$25 per week until January 2010 and extends benefits for up to 20 weeks.	Unknown
<b>Employment Services Grants to States</b>	Provides grants for employment services administered by states.	\$11.7 million
<b>UI Benefits—Exempt the First \$2,400 from Federal Income Taxes</b>	Allocates \$4.7 billion nationally to exempt from federal income taxes up to \$2,400 received in 2009.	Unknown
<b>COBRA Health Care Premium Subsidies</b>	Provides \$24.7 billion nationally to cover 65% of premium costs for up to nine months for unemployed workers who retain their employer-based health insurance.	Unknown

## PUBLIC HEALTH AND TECHNOLOGY

Program	Federal Funding Details	GA's Allocation
<b>Disproportionate Share Hospital (DSH) Payment Program</b>	Provides additional Medicaid funds for hospitals serving a high number of low-income patients.	\$13.3 million
<b>Community Health Center Funding</b>	Provides funds to increase patient access to Community Health Centers and meet increased demand.	\$11.9 million
<b>Immunization</b>	Provides funds for disease prevention through immunizations.	\$6.3 million
<b>Veterans Affairs State Extended Care Facilities</b>	Provides funds for construction and renovation of veterans' extended care facilities.	\$715,000
<b>Health Information Technology</b>	Provides grants for health IT improvements, including electronic medical records and chronic disease management systems.	Competitive grant

## BLOCK GRANT AND COMMUNITY PROGRAMS

Program	Federal Funding Details	GA's Allocation
<b>Public Housing Capital Fund</b>	Provides funds to local housing agencies for rehabilitating public housing.	\$112.7 million
<b>Edward Byrne Memorial Justice Assistance Grant (JAG) Program<sup>10</sup></b>	Provides funds to state and local governments to prevent, fight, and prosecute crimes through corrections, drug treatment, court, and prevention programs, among others.	\$59.0 million
<b>Tax Credit Assistance Program</b>	Provides gap funding for affordable housing developments in conjunction with the Low Income Housing Tax Credit program.	\$54.5 million
<b>Project-based Rental Assistance (PBRA)</b>	Provides funds for contract renewals under the rental assistance program Section 8.	\$44.6 million
<b>Community Development Block Grant</b>	Provides funds for economic and housing opportunities for low- and moderate-income families.	\$22.0 million
<b>Vocational Rehabilitation</b>	Provides funds to encourage employment of persons with disabilities.	\$18.7 million
<b>Crime Fighting &amp; Victims Assistance Funding</b>	Provides funds for victim compensation grants and for combating violence against women and Internet crimes against children.	\$7.1 million
<b>Centers for Independent Living</b>	Provides funds to assist Centers for Independent Living.	\$2.7 million
<b>Independent Living Grants</b>	Provides funds for state independent living services grants and independent living services for older individuals who are blind.	\$1.4 million
<b>National Endowment for the Arts</b>	Provides grants to arts agencies and includes additional competitive grant opportunities.	\$342,000
<b>Neighborhood Stabilization Program</b>	Provides competitive grants to purchase and rehab foreclosed or abandoned properties.	Competitive grant

## Additional Resources

### Timeline

The Counsel of State Governments provides a list of key deadlines for states to comply with in order to receive funds at [www.staterecovery.org/key-deadlines](http://www.staterecovery.org/key-deadlines). One important deadline is October 10, 2009, when recipients of ARRA funds must report on funds received and spent and the number of jobs associated with the funds.

### Reporting Requirements

The Coalition for an Accountable Recovery compiled a summary of OMB reporting guidelines at [www.ombwatch.org/files/budget/Summary\\_of\\_OMB\\_Guidance\\_on\\_Recovery\\_Act.pdf](http://www.ombwatch.org/files/budget/Summary_of_OMB_Guidance_on_Recovery_Act.pdf).

### Monitoring and Accountability

The state of Georgia created a website to track spending and provide accountability (<http://stimulusaccountability.ga.gov/02/gov/stimulus/home/0,2804,134245182,00.html>). In addition, the U.S. Government Accountability Office will be monitoring Georgia as 1 of 17 states selected for bi-monthly reviews (<http://www.gao.gov/recovery/bimonthly/>).

## FOR MORE INFORMATION, CONTACT:

**SARAH BETH GEHL, DEPUTY DIRECTOR**  
**404-420-1324 ext. 102**  
[sbgehl@gbpi.org](mailto:sbgehl@gbpi.org)

© 2009 Georgia Budget and Policy Institute  
All Rights Reserved

This document may be quoted with proper citation. A PDF is available for reference and dissemination at [www.gbpi.org](http://www.gbpi.org).

The Georgia Budget and Policy Institute (GBPI) is the leading independent, nonprofit, non-partisan organization engaged in research and education regarding the fiscal and economic health of the state of Georgia. GBPI provides reliable, accessible, and timely analyses to promote greater state government fiscal accountability as a way to improve services to Georgians in need and to promote an enhanced quality of life for all Georgians. [www.GBPI.org](http://www.GBPI.org)

<sup>1</sup> Federal Funds Information for States (FFIS). *State Allocations Under ARRA*. Excel spreadsheet dated May 4, 2009.

<sup>2</sup> Author's calculation using data from Georgia House Bill 119.

<sup>3</sup> Author's calculation based on data from the federal government. <http://www.recovery.gov/?q=content/investments>. Retrieved on June 4, 2009.

<sup>4</sup> Author's calculation based on estimates from the Center for American Progress. [www.americanprogress.org/issues/2009/02/compromise\\_map.html](http://www.americanprogress.org/issues/2009/02/compromise_map.html).

<sup>5</sup> Unless otherwise noted, ARRA allocations to Georgia are calculated from the Federal Funds Information for States' *State Allocations Under ARRA*, excel spreadsheet dated May 4, 2009. Certain allocations are estimates, as they depend on the number of beneficiaries per state. This report draws heavily from the Commonwealth Institute's *Reinvesting in Virginia*, May 2009.

<sup>6</sup> Estimates from the Center for American Progress. [http://www.americanprogress.org/issues/2009/02/compromise\\_map.html](http://www.americanprogress.org/issues/2009/02/compromise_map.html).

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> National Employment Law Project. *Question and Answer: The Unemployment Insurance Modernization Act*. February 17, 2009. <http://www.nelp.org/page/-/UI/uima.fact.sheet.jan.09.pdf?nocdn=1>.

<sup>10</sup> Author's calculation based on data from the federal government. <http://www.recovery.gov/?q=content/allocation-programs&state=GA>. Retrieved on June 4, 2009.