

FFIS WEEKLY UPDATE – NOVEMBER 10, 2009

Weekly News:

APPROPRIATIONS UPDATE

Senate Approves Commerce-Justice-Science Appropriations Bill

The Senate passed the Commerce-Justice-Science appropriations bill for fiscal year (FY) 2010 last week. The Department of Justice funding includes \$510 million for Byrne Justice Assistance Grants; \$658 million for Community Oriented Policing Services (COPS) grants; \$407 million for juvenile justice and delinquency prevention; \$435 million for violence against women grants; and \$265 million to prevent, investigate, and prosecute crimes against children. The bill would also provide \$228 million for the State Criminal Alien Assistance Program (SCAAP), which provides compensation to states and localities for costs associated with incarcerating criminal aliens. The Department of Commerce funding includes \$40 million for Economic Development Assistance (EDA) public works grants (Title I), \$30 million for EDA planning assistance, and \$10 million for EDA technical assistance. The House passed its version of the appropriations bill in June.

AGRICULTURE

USDA Announces \$17 Million to Train Farmers And Ranchers

On November 3, 2009, the USDA announced the award of more than \$17 million in grants to 29 institutions to address the needs of beginning farmers and ranchers, and enhance the sustainability and competitiveness of U.S. agriculture. Follow this link for additional details:

http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_1OB?contentidonly=true&contentid=2009/11/0548.xml

HEALTH AND HUMAN SERVICES

House Passes Health Care Reform

On November 7, 2009, the House approved H.R. 3962, the Affordable Health Care for America Act. It would require most Americans to obtain health insurance and would impose penalties if they do not. Employers with more than \$500,000 in annual payroll would be required to provide coverage or pay a tax penalty of up to 8% of payroll. The bill also expands Medicaid to 150% of the federal poverty level beginning in 2013. The federal government would pay 100% of the cost of the expansion in the first two years and 91% thereafter.

The bill extends the enhanced Medicaid match provisions that are part of ARRA for six months (through June 30, 2011; see *Issue Brief 09-44*). It also would offer subsidies to help moderate-income people buy health care coverage that meets certain federal standards. Insurance plans would be offered through a newly established national insurance exchange where people could shop for coverage. The bill would make a number of changes to the rules for health insurance plans, including prohibiting denial of coverage for pre-existing conditions or denial of care when someone becomes sick, a practice known as rescissions.

The measure is paid for through a number of new fees and taxes as well as cost reductions in some areas of Medicare, with the net cost of the coverage provisions totaling approximately \$894 billion over the 10-year budget window (2010-2019). Before the House debate, the administration issued a Statement of Administration Policy in support of the measure. Sen. Reid has stated that he will bring a bill to the Senate floor for debate as soon as possible. The two chambers will need to negotiate and approve a final bill. The text of the bill and related documents are available at <http://rules.house.gov/>. The cost estimate for the bill as introduced on October 29, 2009, incorporating the manager's amendment from November 3, 2009, is available at <http://www.cbo.gov/doc.cfm?index=10706>.

LABOR

1) Congress Passes Unemployment Insurance Extension; Bill Includes Home Buyer Tax Credit

On November 5, 2009, Congress passed H.R. 3548, which extends unemployment insurance benefits. It provides up to 14 weeks of additional emergency unemployment compensation (EUC) for individuals in all states, with an additional six weeks for individuals living in states with 8.5% unemployment or above, based on a three-month average. The provisions of EUC benefits were set to expire on December 31, 2009. The legislation also ensures that the additional \$25 per week in unemployment insurance benefits provided by ARRA do not count against eligibility for the Supplemental Nutritional Assistance Program. The proposal will be funded by extending the federal unemployment tax on employers through June 30, 2011. The legislation also includes an extension of the \$8,000 first-time home buyer tax credit to contracts signed by April 30, 2010, and closed by June 30, 2010. The credit, which was enacted as part of the stimulus package last February, was set to expire after November 30, 2009. The president signed the bill into law on November 6, 2009.

2) Department of Labor Reports October Unemployment Rates

On November 6, 2009, the Department of Labor, Bureau of Labor Statistics reported that the national unemployment rate climbed from 9.8% in September to 10.2% in October. This is the first time since June of 1983 that the unemployment rate reached double-digit figures. Over the month, there were 190,000 jobs lost and the number of unemployed persons increased by 558,000 to 15.7 million. The number of jobless workers considered to be "long-term unemployed" (27 weeks or more) remained steady for the month at 5.6 million, or 35.6% of the total unemployed. To view a copy of the report, go to: www.bls.gov/cps.

ARRA News:

GENERAL

IG Reports on ARRA Funds are Available Online

When cases of potential fraud, waste, and abuse are reported, the Inspector General (IG) of each agency decides whether to investigate and determine the validity of the allegations. The Inspectors General also work with managers of federal programs and recipients of ARRA funds to help prevent fraud, waste, and abuse. Their findings, status reports, recovery plans, and testimony are included in the following section of the ARRA website, along with reports on recovery oversight from the Government Accountability Office:

<http://www.recovery.gov/Accountability/inspectors/Pages/Home.aspx>

AGRICULTURE

Loan Guarantees for Rural Business Announced

On November 6, 2009, the USDA announced \$56.2 million in loan guarantees to assist 12 rural businesses through funding made available by ARRA. For details, including a list of projects receiving funding, go to:

http://www.usda.gov/wps/portal/lut/p/_s.7_0_A/7_0_1OB?contentidonly=true&contentid=2009/11/0556.xml

EDUCATION

Final SFSF Application Released

On November 9, 2009, ED released the application requirements for the final \$11.5 billion in State Fiscal Stabilization Funds (SFSF) under ARRA. The department is asking states to provide information on teacher distribution, the collection and use of data, standards, and assessments, and support for struggling schools. Additional information, including the application, requirements, and summary of the requirements can be found at: <http://www.ed.gov/news/pressreleases/2009/11/11092009.html>

ENERGY

ARRA Awardees Updated

On November 6, 2009, the Department of Energy released its latest list of ARRA awardees. To view this report, click here: <http://www.energy.gov/recovery/documents/recoveryactfunding.xls>

TRANSPORTATION

Additional Guidance on MOE, Section 1512 Reporting

1) Federal Highway Administration Supplemental Guidance on Recovery Act Section 1201 Maintenance of Effort Highway Infrastructure Investment Appropriation:

<http://www.fhwa.dot.gov/economicrecovery/sec1202suppguide.htm>

2) FHWA Data Validation Concept of Operations ARRA 1512 Reporting, October 8, 2009:

<http://www.fhwa.dot.gov/economicrecovery/1512reporting.htm>

3) FTA Q&A on ARRA grant amendments and budget revisions:

http://www.fta.dot.gov/index_9440_9327.html#Grant