



## **SUMMARY: AMERICAN RECOVERY AND REINVESTMENT (Proposed January 2009)**

In the next two weeks, the Congress will be considering the American Recovery and Reinvestment Bill of 2009. This package is the first crucial step in a concerted effort to create and save 3 to 4 million jobs, jumpstart our economy, and begin the process of transforming it for the 21st century with \$275 billion in economic recovery tax cuts and \$550 billion in thoughtful and carefully targeted priority investments with unprecedented accountability measures built in.

The package contains targeted efforts in:

- Clean, Efficient, American Energy
- Transforming our Economy with Science and Technology
- Modernizing Roads, Bridges, Transit and Waterways
- Education for the 21st Century
- Tax Cuts to Make Work Pay and Create Jobs
- Lowering Healthcare Costs
- Helping Workers Hurt by the Economy
- Saving Public Sector Jobs and Protect Vital Services

The economy is in such trouble that, even with passage of this package, unemployment rates are expected to rise to between eight and nine percent this year. Without this package, we are warned that unemployment could explode to near twelve percent. With passage of this package, we will face a large deficit for years to come. Without it, those deficits will be devastating and we face the risk of economic chaos. Tough choices have been made in this legislation and fiscal discipline will demand more tough choices in years to come.

Since 2001, as worker productivity went up, 96% of the income growth in this country went to the wealthiest 10% of society. While they were benefiting from record high worker productivity, the remaining 90% of Americans were struggling to sustain their standard of living. They sustained it by borrowing... and borrowing... and borrowing, and when they couldn't borrow anymore, the bottom fell out. This plan will strengthen the middle class, not just Wall Street CEOs and special interests in Washington.

Our short term task is to try to prevent the loss of millions of jobs and get our economy moving. The long term task is to make the needed investments that restore the ability of average middle income families to increase their income and build a decent future for their children."

## K-12 Education

As states begin tackling a projected \$350 billion in budget shortfalls these investments will prevent cuts to critical education programs and services."

***School Construction: \$14 billion for K-12 for renovation and modernization, including technology upgrades and energy efficiency improvements. Also includes \$100 million for school construction in communities that lack a local property tax base because they contain non-taxable federal lands such as military bases or Indian reservations, and \$25 million to help charter schools build, obtain, and repair schools.***

Education Technology: \$1 billion for 21st century classrooms, including computer and science labs and teacher technology training.

IDEA Special Education: \$13 billion for formula grants to increase the federal share of special education costs and prevent these mandatory costs from forcing states to cut other areas of education.

Title I Help for Disadvantaged Kids: \$13 billion for grants to help disadvantaged kids in nearly every school district and more than half of all public schools reach high academic standards.

Statewide Data Systems: \$250 million for competitive grants to states to design and develop data systems that analyze individual student data to find ways to improve student achievement, providing teachers and administrators with effective tools.

Education for Homeless Children and Youth: \$66 million for formula grants to states to provide services to homeless children including meals and transportation when high unemployment and home foreclosures have created an influx of homeless kids.

Improving Teacher Quality: \$300 million, including \$200 million for competitive grants to school districts and states to provide financial incentives for teachers and principals who raise student achievement and close the achievement gaps in high-need schools and \$100 million for competitive grants to states to address teacher shortages and modernize the teaching workforce.