

## **How the American Recovery and Reinvestment Act Addresses Women's Needs**

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The worsening recession is causing pain across the country, especially for the millions of women and families who already were struggling to make ends meet. The Obama Administration and House and Senate leaders have developed a strong plan for economic recovery to preserve and create jobs, help people through tough times, protect vital public services, and invest in our nation's future. The Conference Agreement on the American Recovery and Reinvestment Act includes a number of measures that are especially important for women and their families.

### **Child Care and Early Education**

The Act will help low-income parents obtain the child care they need to get and keep jobs and help children get the early learning they need to succeed by providing:

- \$2 billion for the Child Care and Development Block Grant, with the entire amount available upon enactment. Of this total, \$255.2 million is reserved for quality improvement activities, of which \$93.587 million is targeted to improve infant and toddler care.
- \$1 billion for Head Start, allocated according to the current statutory formula, and \$1.1 billion for Early Head Start, to be awarded on a competitive basis.
- \$2.33 billion for Department of Defense facilities, including quality of life and family-friendly military improvement projects such as family housing, hospitals, and child care centers.
- \$13 billion for Title I grants for education programs for disadvantaged children, including early childhood programs and activities.
- \$11.7 billion to local education agencies for Individuals with Disabilities Education Act (IDEA) programs for children ages 3 to 21, including \$400 million for preschool grants (section 619) programs.
- \$500 million for formula grants under IDEA Part C to help states serve children with disabilities and special needs age 2 and younger.
- See section on Education and Job Training below for other relevant provisions.

### **Unemployment Insurance**

With women's unemployment rate rising quickly, the Act will expand unemployment insurance (UI) coverage for jobless workers, especially women, as well as extend and increase benefits. It provides:

- One-time grants to encourage states to enact specific reforms that will eliminate barriers UI coverage for low-wage and part-time workers, workers who leave for compelling family reasons, and their dependents.
- Up to 33 weeks of extended UI benefits to workers exhausting their regular benefits.
- \$25 per week increase in UI benefits through 2009.
- An additional \$500 million to help states administer UI.

### **Child Support**

The Act will help protect child support enforcement services for over 17 million children and their single parents, mostly mothers, by:

- Restoring, through September 30, 2010, federal funds cut from the child support enforcement program by the Deficit Reduction Act of 2005.

### **Health Care**

The Act will help preserve access to vital health care services by preventing cuts in Medicaid, a program which serves more than 20 million adult women, and other health programs. It provides:

- \$87 billion over two years in increased federal support for Medicaid, which will protect access to health care at a time when states are seeing increased demand for services at the same time they face declining revenues.
- A 65 percent COBRA premium subsidy, for nine months, to help workers who lost jobs after September 2008 buy health insurance coverage under their former employer's plan. Participants must attest that their same year income will not exceed \$125,000 for individuals and \$250,000 for families.
- An extension through December 31, 2010 for the "Qualified Individual" program, which pays Medicare Part B premiums for aged and disabled individuals with incomes between 120% and 135% of poverty.
- \$500 million for services provided at community health centers and \$1.5 billion for construction, renovation and equipment, and for the acquisition of health information technology systems for community health centers.
- \$1 billion for a new Prevention and Wellness Fund to fight preventable diseases and conditions with evidence-based strategies.
- An extension through December 31, 2010 for Transitional Medical Assistance, which allows former recipients of Temporary Assistance for Needy Families to retain Medicaid coverage for one year after they begin earning too much to remain eligible for Medicaid by too little to afford private coverage.
- \$10 billion to conduct biomedical research in areas such as cancer, Alzheimer's, heart disease and stem cells, and to improve NIH facilities.

### **Direct Assistance for Low-Income Households**

The Act increases direct assistance for low-income people, the majority of whom are women. Helping those who are struggling to meet immediate needs not only alleviates hardship, it's one of the most effective ways to boost the economy. Low-income people are more likely to quickly use additional income to purchase goods and services in their communities. The Act provides:

- Nutrition Assistance: \$19.9 billion for Supplemental Nutrition Assistance Program (SNAP) benefits (formerly Food Stamps); \$500 million for the Special Supplemental Program for Women, Infants, and Children (WIC); \$100 million for meals for seniors; \$150 million for food banks.
- Payments to Disabled and Elderly: A one-time payment of \$250 to adult recipients of Social Security, Supplemental Security Income, and railroad retirement benefits and recipients of veteran's disability compensation or pension benefits.

- Temporary Assistance for Needy Families (TANF): \$3 billion for the TANF Emergency Contingency Fund to provide states with additional funds to serve the growing number of poor families in this recession; and \$319 million to extend supplemental funds for states with high population growth and/or increased poverty, providing qualified states with the same grant amount in FY 2010 that they received in FY 2009.
- Housing Assistance: \$1.5 billion for emergency shelter grants.

### **Education and Job Training**

During this time of high unemployment, the Act makes it easier to obtain education and job training, providing:

- \$15.6 billion to increase the maximum Pell grant by \$500 for two years.
- \$53.6 billion for a new State Fiscal Stabilization Fund to support education, including early childhood programs, and other vital public services over the next two years. The entire amount is available upon enactment.
- \$3.95 billion in additional funds for training and employment services under the Workforce Investment Act for dislocated workers, youth, and adult employment and training.
- \$100 million for Teacher Quality Partnership grants to address teacher shortages and modernize the teaching workforce. These grants could be used to support the early childhood workforce through compensation and other initiatives.
- \$120 million for subsidized community service jobs for low-income Americans.
- \$500 million for health professions training programs.
- See section on Child Care and Early Education above for other relevant provisions.

### **Job Opportunities for Women**

- Funding provided to rebuild infrastructure and develop clean energy will create many jobs and provide lasting benefits, but most of these jobs are in fields where women are still severely underrepresented. To help ensure that these opportunities are available to women and men, the Act provides \$80 million for enforcement of worker protection laws and regulations. Among other things, these laws and regulations ban discrimination and require Federal contractors and subcontractors to take affirmative steps to ensure that all individuals have an equal opportunity for employment without regard to sex and other categories.
- The increased funding the Act provides for programs such as health care, education, child care, and other social services will preserve and create jobs in fields currently dominated by women.

### **Tax Benefits for Individuals and Families**

In addition to direct spending for the programs described above and other investments, the Act provides billions in tax cuts for individuals, including expanded tax benefits for low- and moderate-income working families. For 2009 and 2010, the Act:

- Reduces the eligibility threshold for the refundable component of the child tax credit from \$8,500 to \$3,000, enabling families of 2.9 million children to become newly eligible for the credit and those of 10 million children to receive a larger credit.

- Increases the Earned Income Tax Credit for families with three or more children and reduces the marriage penalty in the EITC.
- Creates a new refundable Making Work Pay credit worth up to \$400 for an individual and \$800 for a couple, starting to phase out for taxpayers with adjusted gross income in excess of \$75,000 (\$150,000 for married couples filing jointly). Taxpayers can receive this benefit through a reduction in the amount of income tax that is withheld from their paychecks or through claiming the credit on the tax return they file next year.
- Replaces the Hope Scholarship credit with an American Opportunity Tax Credit to help pay expenses for higher education, worth up to \$2,500 a year and partially (40%) refundable. This credit starts to phase out for taxpayers with adjusted gross income in excess of \$80,000 (\$160,000 for married couples filing jointly).