



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

February 2, 2009

**H.R. 1**  
**American Recovery and Reinvestment Act of 2009**

*An amendment in the nature of a substitute, as introduced by  
Senators Inouye and Baucus on January 31, 2009*

**SUMMARY**

The proposed Senate amendment to H.R. 1 would specify appropriations for a wide range of federal programs and would increase or extend certain benefits payable under the Medicaid, unemployment compensation, and nutrition assistance programs. The legislation also would reduce individual and corporate income tax collections through a variety of changes to tax laws; those changes include instituting a tax credit of up to \$500 for each worker in both 2009 and 2010, and raising the exemption amount allowed against an individual's income for the alternative minimum tax (AMT) for tax year 2009.

Assuming enactment in mid-February, CBO estimates that H.R. 1, as amended, would increase outlays by \$132 billion during the remaining several months of fiscal year 2009, by \$242 billion in fiscal year 2010 (which begins on October 1), by \$145 billion in 2011, and by a total of \$632 billion over the 2009-2019 period. That spending includes outlays from discretionary appropriations in Division A and direct spending resulting from Division B.

In addition, CBO and the Joint Committee on Taxation (JCT) estimate that enacting the provisions in Division B would reduce revenues by \$101 billion in fiscal year 2009, by \$219 billion in fiscal year 2010, and by a net amount of \$253 billion over the 2009-2019 period. Approximately \$96 billion of the estimated revenue change is attributable to the proposed tax credit for workers and \$70 billion to the proposed changes in the AMT.

Combining the spending and revenue effects summarized above, CBO estimates that enacting the Inouye-Baucus substitute for H.R. 1 would increase federal budget deficits by \$233 billion over the remaining months of fiscal year 2009, by \$461 billion in 2010, by \$142 billion in 2011, and by \$884 billion over the 2009-2019 period.

CBO anticipates that implementing this legislation would have a noticeable impact on economic growth and employment in the next few years. Following longstanding Congressional budget procedures, however, this estimate does not address the potential budgetary effects of such changes in the economic outlook.

CBO and JCT have determined that the provisions of the legislation contain both private-sector and intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA). In total, the costs to private entities of those mandates would exceed the annual threshold established in UMRA for such mandates (\$139 million in 2009, adjusted annually for inflation). The costs of intergovernmental mandates, however, would be well below the annual threshold established for state, local, and tribal governments (\$69 million in 2009, adjusted annually for inflation).

### **PREVIOUS CBO ESTIMATES**

CBO completed two prior estimates for versions of H.R. 1 considered in the House of Representatives: On January 30, 2009, we transmitted a cost estimate for H.R. 1 as passed by the House on January 28, 2009; and on January 26, 2009, we transmitted a cost estimate for the bill as introduced in the House on that date.

CBO and JCT estimated that the version of H.R. 1 that was passed by the House of Representatives would increase deficits by \$526 billion over the 2009-2010 period and by a total of \$820 billion over the 2009-2019 period. The Senate amendment's AMT provisions, which would reduce revenues by about \$70 billion, account for much of the difference between the 11-year total for the House version and the corresponding total over the same period—\$884 billion—for the Inouye-Baucus substitute.

In addition, the most significant difference in estimated outlays from discretionary appropriations in the House and Senate versions stems from the proposed State Fiscal Stabilization Fund: both versions would appropriate \$79 billion for this new activity, but CBO estimates outlays of about \$31 billion over the 2009-2010 period under the House-passed version of H.R. 1 and about \$52 billion over the 2009-2010 period under the Senate amendment. The difference reflects the fact that the House version would provide the funding in two components, one available for obligation beginning July 1, 2009, and the other a year later; the Senate legislation would provide all the funding in 2009 and make all of it available for obligation upon enactment.

The House-passed version of H.R. 1 has an estimated 11-year cost that is \$3.7 billion greater than for the House-introduced version. About \$3.0 billion of that change is for a \$3.0 billion increase in funding for the Department of Transportation's transit programs.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

CBO and JCT estimate that enacting the Inouye-Baucus substitute for H.R. 1 would increase budget deficits by \$694 billion over the 2009-2010 period (about 19 months) and by a total of \$884 billion over the 2009-2019 period. The following table summarizes CBO's and JCT's estimates of the legislation's budgetary effects; estimates for major components (by division and title) are presented in a detailed table at the end of this cost estimate.

	By Fiscal Year, in Billions of Dollars											2009-
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
<b>DIVISION A—APPROPRIATIONS<sup>a</sup></b>												
Estimated Budget Authority	350.8	5.0	3.6	0.7	0.9	1.1	1.1	1.1	1.1	0.5	*	365.6
Estimated Outlays	43.8	134.9	93.7	42.1	23.3	13.7	6.3	2.6	1.4	0.7	*	362.5
<b>DIVISION B—DIRECT SPENDING</b>												
Estimated Budget Authority	91.0	106.4	50.5	7.4	7.4	6.2	3.8	1.2	-0.8	-1.4	-1.6	270.1
Estimated Outlays	88.3	107.4	51.2	7.6	7.4	6.2	3.8	1.2	-0.8	-1.4	-1.6	269.5
<b>DIVISION B—REVENUES</b>												
Estimated Revenues	-101.0	-218.5	3.0	23.6	14.1	9.8	6.4	4.3	3.0	2.6	0.3	-252.5
<b>NET IMPACT ON THE DEFICIT</b>												
Net Increase in the Deficit	233.2	460.9	142.0	26.1	16.6	10.1	3.7	-0.4	-2.5	-3.3	-1.9	884.5

a. Most of the spending for Division A would stem from discretionary appropriations. The totals include about \$24 billion in 2009-2019 changes to mandatory programs that are contained in Division A.

Note: Components may not sum to totals because of rounding; \* = less than \$50 million.

Sources: Congressional Budget Office and the Joint Committee on Taxation.

Some of the legislation's provisions would affect cash flows for the Social Security trust funds and the Postal Service fund, both of which are classified as "off-budget." CBO and JCT estimate that enacting the Inouye-Baucus substitute for H.R.1 would increase on-budget deficits by about \$886 billion over the 2009-2019 period and reduce off-budget deficits by about \$1 billion over that period (see the memorandum at the end of the attached detailed table for on-budget and off-budget effects by year).

Pursuant to section 311 of S. Con. Res. 70, CBO estimates that enacting this legislation would not cause a net increase in deficits in excess of \$5 billion in any of the four 10-year periods beginning after fiscal year 2018.

## **BASIS OF ESTIMATE**

About 55 percent of the budget authority that CBO estimates would be provided by the Inouye-Baucus amendment is specified in the legislation (primarily in Division A). CBO estimated the remaining amount of budget authority that the bill would provide for programs such as Medicaid, unemployment compensation, and supplemental nutrition assistance (formerly called Food Stamps).

The budgetary impact of the bill stems primarily from three types of transactions:

- Direct payments to individuals (for example, unemployment compensation or refundable tax credits), which would generally occur fairly rapidly during fiscal years 2009, 2010, and 2011;
- Reductions in federal taxes, which would have most of their effects on revenues in fiscal years 2009 and 2010; and
- Purchases of goods and services, either directly by the federal government or indirectly in the form of grants to state and local governments. Many of those involve construction or investment activity that would take several years to complete.

In estimating outlays for that third category, CBO expects that the rate of spending in 2009 for many programs funded in the legislation would be considerably slower than historical rates of spending for a full year of funding because the bill would be enacted almost halfway into the fiscal year. Thus, it would not be appropriate in most cases to use the full-year rates that CBO typically employs for appropriations enacted near the start of the fiscal year. Moreover, some programs would receive funding that is significantly above (double, triple, or more) the amounts provided for existing or similar programs in recent years. Frequently in the past, in all types of federal programs, a noticeable lag has occurred between sharp increases in budget authority and the resulting increases in outlays. Based on such experiences, CBO expects that federal agencies, along with states and other recipients of that funding, would find it difficult to properly manage and oversee a rapid expansion of existing programs so as to expend the added funds as quickly as they expend the resources provided for their ongoing programs.

Lags in spending stem in part from the need to draft plans, solicit bids, enter into contracts, and conduct regulatory or environmental reviews. Spending can be further delayed because some activities are by their nature seasonal. For example, major school repairs are generally scheduled during the summer to avoid disrupting classes, and construction and highway work are difficult to carry out during the winter months in many parts of the country.

Brand new programs pose additional challenges. Developing procedures and criteria, issuing the necessary regulations, and reviewing plans and proposals would make distributing money quickly even more difficult—as can be seen, for example, in the lack of any disbursements to date under the loan programs established for automakers last summer to invest in producing energy-efficient vehicles. Throughout the federal government, spending for new programs has frequently been slower than expected and rarely been faster.

Major provisions of the legislation and key factors affecting estimates of spending are summarized, by title, below. CBO's estimates of discretionary spending (for Division A) and CBO's and JCT's estimates of direct spending and revenue effects (for Division B) are presented in the detailed table attached at the end of this estimate.

## **Division A—Appropriation Provisions**

**Title I—Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.** CBO estimates that title I of Division A would increase spending by the Department of Agriculture (USDA) by \$21.6 billion over the 2009-2019 period. That amount includes:

- An estimated \$16.6 billion over the next five years to temporarily increase the maximum benefit under the Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp program); and
- About \$2.4 billion for programs to develop rural communities and improve infrastructure, including \$1.4 billion for water and waste disposal projects.

CBO expects that increased SNAP spending would begin soon after enactment and would largely span fiscal years 2009 through 2011. The proposed funding for USDA's rural development programs would significantly exceed the historical funding levels for several such programs. CBO expects that some of the larger infrastructure projects initiated with funds provided by the legislation would take several years to complete.

**Title II—Commerce, Justice, Science, and Related Agencies.** Title II of Division A would appropriate \$21.5 billion for science and criminal justice programs as well as initiatives to expand the commercial use of technology. That amount includes:

- \$9.0 billion for grants to extend broadband Internet services;
- \$2.6 billion for grants to improve the criminal justice system;
- \$1.5 billion for grants and programs to fund science and technology research;
- \$1.5 billion for NASA programs;
- \$1.2 billion for programs of the National Oceanic and Atmospheric Administration;
- \$1.0 billion for periodic censuses and programs;
- \$1.0 billion for the Community Oriented Policing Services program; and
- \$3.7 billion for other activities.

In general, CBO expects that funds appropriated under title II would be spent over the same number of years as would be typical for existing programs, with one primary exception. CBO anticipates that funds provided to the National Telecommunications and Information Administration (NTIA) to administer the broadband grant program would take longer to spend—seven years—because the new appropriations would far exceed the agency's 2009 funding of \$17 million, and the legislation would require, in most circumstances, that grant recipients provide 20 percent of the project's cost from nonfederal sources. In total, about 60 percent of the funds provided in title II would be spent during fiscal years 2009 through 2011.

**Title III—Defense.** Title III of Division A would provide \$3.4 billion to the Department of Defense for the repair, maintenance, and renovation of its facilities; for energy-efficiency projects at those facilities; and for the leasing of alternative-energy vehicles. The title also would provide \$0.2 billion for energy-related research and development and \$0.1 billion for the procurement of components to be used in vehicles that utilize alternative-energy technologies. CBO expects that more than 80 percent of those funds would be spent in fiscal years 2009 and 2010.

**Title IV—Energy and Water Development.** Title IV of Division A would provide \$53.8 billion in budget authority over the 2009-2019 period for programs related to

energy and water resources. That amount includes \$47.8 billion for the Department of Energy (DOE), \$4.6 billion for the Army Corps of Engineers and \$1.4 billion for the Bureau of Reclamation. Most of the funding provided to DOE would promote activities related to energy supply and conservation, including:

- \$14.4 billion for energy efficiency and renewable energy programs;
- \$10 billion to cover the subsidy costs of federal loan guarantees for renewable energy systems and electric transmission projects;
- \$6.5 billion for capital investments by certain federal power marketing administrations in electric power transmission systems;
- \$4.6 billion for research and development related to carbon capture and sequestration;
- \$4.5 billion to modernize the nation's electricity grid; and
- \$7.8 billion for environmental remediation and various other activities.

CBO expects that most funds provided under title IV would ultimately be spent within seven years—a cumulative rate that is largely consistent with spending patterns for existing energy and water programs. However, the amounts provided would be significantly higher than DOE's current funding levels for related programs. (For example, the proposed \$14.4 billion appropriation for energy efficiency and renewable energy is more than seven times the current 2009 funding of roughly \$1.9 billion.) We therefore expect that the proportion of spending that would occur in the first few years would be lower than that for existing programs, reflecting the time it would take DOE to establish new programs and to ramp up its spending from current levels. In total, CBO estimates that nearly 80 percent of funds made available under title IV would be spent during fiscal years 2009 through 2013.

**Title V—Financial Services and General Government.** Title V would appropriate \$10.7 billion primarily to promote energy efficiency and conservation at federal facilities and in the federal motor fleet. Most of that amount—\$9.0 billion—would be appropriated to the General Services Administration's Federal Buildings Fund to construct and repair federal facilities. That amount represents a significant increase relative to current funding levels, which have averaged about \$1.3 billion annually in recent years. CBO estimates that almost three-quarters of those funds would be spent by fiscal year 2013.

**Title VI—Homeland Security.** Title VI would appropriate \$5.1 billion for a variety of programs administered by the Department of Homeland Security. Largely based on historical spending patterns for affected programs, CBO estimates that about two-thirds of those funds would be spent over the 2009-2011 period.

**Title VII—Interior and Environment.** Title VII would appropriate a total of more than \$11.6 billion, including \$6.0 billion for the Clean Water and Drinking Water State Revolving Funds (SRFs). Under both programs, EPA provides grants or "seed money" to all 50 states plus Puerto Rico to capitalize state loan funds used by local governments to build water infrastructure projects. For the past few years, the SRFs have received federal funding of about \$1.5 billion to about \$2 billion annually. Historically, money appropriated to the SRFs is spent slowly (about half is spent over the first three years), and we expect that a similar pattern would apply to the funds provided in title VII.

The remaining appropriation of about \$5.6 billion would fund various programs, including capital improvements and maintenance for the Forest Service and National Park Service, the Superfund program, and wildland fire management. Historically, those activities expend funds over about four years. Because the legislation would significantly increase resources for those programs, we expect that spending would be slower initially as agencies prepare to contract for new projects. Overall, CBO estimates that most of the funds provided in this title would be spent in fiscal years 2009 through 2012.

**Title VIII—Department of Labor, Health and Human Services, and Education and Related Agencies.** CBO estimates that title VIII would increase funding by \$89.3 billion over the 2009-2019 period for a variety of programs. That amount includes:

- \$23.4 billion for programs administered by the Department of Health and Human Services;
- \$3.8 billion for employment and training programs administered by the Department of Labor;
- \$26.5 billion for grants to elementary and secondary schools, including funding for special education and Title I;
- \$17.1 billion to renovate elementary and secondary schools, fund educational technology, and support homeless students;
- \$13.9 billion for Pell grants and other student financial assistance; and

- \$4.2 billion for other education programs, including \$3.5 billion to renovate facilities at post-secondary institutions.

CBO expects that most of the funds provided by title VIII would be spent within two and a half years—a cumulative rate that is largely consistent with spending patterns for existing programs administered by affected agencies. We expect that the initial rate of spending would be lower, however, to reflect the time it would take the agencies to establish new programs and to ramp up their spending from current levels.

**Title IX—Legislative Branch.** The legislation would provide \$20 million for activities of the Government Accountability Office.

**Title X—Military Construction and Veterans Affairs, and Related Agencies.** Title X would appropriate \$4.0 billion to several accounts in the Department of Veterans Affairs (VA), an increase of 25 percent compared with appropriations provided to those accounts for the current year to date. Almost \$3.7 billion of the amounts provided would be for construction and maintenance of VA medical facilities. In recent years, those accounts have received significant increases in funding, and most of those additional amounts have gone unspent in the year they were provided. Consequently, CBO estimates that VA would spend only about 10 percent of those funds in 2009 (rather than the usual first-year rate of 38 percent). CBO estimates that spending would increase in the second and third years so that 50 percent of the funds would be spent by the end of fiscal year 2010, and more than 80 percent would be spent by the end of 2011.

The title would also provide an additional \$3.0 billion in 2009 budget authority for military construction and family housing projects of the Department of Defense (DoD), an increase of 12 percent compared with appropriations provided for the current year to date. Those funds would primarily be used for constructing barracks, energy conservation projects, facilities for treating wounded service members, and day care centers. The process of prioritizing and planning for those projects would take some time. For that reason and because the funds would be provided later in the year than is typical, CBO estimates that those funds would be spent at the same rate as regular appropriations but with a six-month lag.

Title X would also provide \$411 million to compensate DoD military personnel and civilians who lose money on the sale or foreclosure of their primary residence in conjunction with the closure or realignment of a military base. The bill would temporarily authorize the Secretary of Defense to use those funds to compensate personnel who are required to move to a new duty station between 2006 and 2012 for any loss on the sale or foreclosure of their home. The bill also includes permanent authority to similarly compensate personnel who must relocate for medical treatment. CBO expects that outlays

would be low in 2009 as DoD would have to establish a process for submitting claims under the new criteria, but that expenditures would accelerate thereafter so that 65 percent of the funds would be spent by the end of fiscal year 2010 and 85 percent by the end of 2011.

**Title XI—State, Foreign Operations, and Related Programs.** Title XI would provide about \$1 billion to the Department of State and related agencies. That amount includes:

- \$624 million for information-technology projects at the department and the United States Agency for International Development;
- \$224 million for construction requirements of the International Boundary and Water Commission, United States and Mexico; and
- \$181 million for the construction of visa and passport facilities and a training facility for security personnel.

Because several of those projects are still in the planning stages, CBO estimates that only about 20 percent of the funds would be spent in 2009 (as opposed to the normal rate of 45 percent) and that more than 50 percent would be spent by the end of fiscal year 2010.

**Title XII—Transportation and Housing and Urban Development.** Title XII would appropriate \$60.6 billion for programs administered by the Department of Transportation (DOT) and the Department of Housing and Urban Development (HUD). That amount includes:

- \$27.1 billion for highway construction;
- \$18.4 billion for other transportation programs administered by DOT;
- \$12.9 billion for housing assistance programs administered by HUD; and
- \$2.3 billion for grants to states and cities for community development.

For the programs funded in this title, projects often take several years to complete. CBO estimates that more than 85 percent of the funds provided by title XII would be spent over the 2009-2013 period.

In fiscal year 2008 (and at an annualized rate under the continuing resolution for fiscal year 2009), state and local governments have been allocated \$41.2 billion per year for highway programs and \$10.4 billion per year for transit programs. The bill would

appropriate an additional \$35.5 billion specifically for those programs. The bill also would appropriate \$5.5 billion for a new discretionary grant program administered by DOT for eligible highway, transit, rail, and port projects. As a result, the bill would nearly double recent funding levels for highway and transit programs.

Under the provisions in this legislation, most grantees would be required to move quickly to obligate the new funds (that is, commit them for specific projects). After obligating funds, grantees would need to muster significant staff and private-sector resources to undertake the projects. Simple projects typically take several months from the time the funds are obligated to the start of construction. Complicated projects can take significantly longer. Scheduling many projects during the warmer months (as would be necessary in some areas of the country) and ensuring that adequate traffic management measures are taken (such as nighttime work hours) can also affect the pace of spending. Many projects funded under these programs would take several years to complete. Historically, money appropriated for highways and transit is spent at a slow rate in the first year and has an extremely long “tail,” in that funds provided in a particular year are frequently spent over a six-to-eight-year period. As a result, when those programs have seen previous significant increases in budgetary resources, outlays have increased more slowly.

For this estimate, CBO consulted with transportation officials in nearly half of the states, accounting for roughly two-thirds of annual highway spending. CBO found that many states are anxious to receive additional funding and can probably begin some projects quickly, but that many states are also concerned about how quickly local governments can undertake new projects. In addition, concerns exist about how quickly state and local governments can adjust their contracting procedures to accommodate the significant increase in the amount of funding. On balance, CBO concludes that many states would probably move as rapidly as possible to obligate new funds, but that much of the construction and procurement work associated with highway and transit projects would occur over an extended period of time, leading to federal outlays over several years.

CBO estimates that funds provided to HUD for housing assistance programs would be spent over the next several years at rates consistent with historical spending patterns for the affected programs. HUD grants for community development would be spent at a rate similar to the slow pace of expenditure historically observed for the Community Development Block Grant program, CBO estimates.

**Title XIII—State Fiscal Stabilization Fund.** Title XIII would appropriate \$79.0 billion to the Department of Education to create a fiscal stabilization fund to provide grants-in-aid to states. All of the funds would be available for obligation upon enactment. Of the total funding, about \$64 billion would be allotted by formula, of which at least 61 percent

would be used for education and up to 39 percent for general government activities. An additional \$15 billion would be reserved for incentive grants to be given to states on a competitive basis in fiscal year 2010, based on states meeting specified criteria as to how they spent their initial allocations. States would have to allocate at least 50 percent of those funds to local education agencies. CBO estimates that most of them would be disbursed in 2010 and 2011.

## **Division B—Other Provisions**

Division B of the Inouye-Baucus amendment to H.R. 1 contains provisions that would increase direct spending for unemployment insurance, health care, fiscal relief for states through the Medicaid program, and other programs. Division B also contains numerous tax provisions that would reduce federal revenues and increase outlays for certain grants and refundable tax credits. In total, CBO and JCT estimate that enacting the provisions in Division B would increase direct spending by \$88 billion in 2009, by \$107 billion in 2010, and by \$269 billion over the 2009-2019 period, and would reduce revenues by \$101 billion in 2009, by \$219 billion in 2010, and by a net amount of \$253 billion over the 2009-2019 period.

**Tax Provisions.** Title I of Division B would make several changes to tax law as well as spending on other programs. The Joint Committee on Taxation estimates that the provisions in this title would lower federal revenues by \$101 billion in fiscal year 2009 and by \$256 billion over the 2009-2019 period. (Other titles of Division B would affect revenues as well, but those additional effects would be small, amounting to an estimated net increase in revenues of about \$3 billion over the 11-year period.) Some of title I's changes in tax law would also affect outlays for payments of refundable tax credits. Those changes would increase outlays by about \$69 billion over the 2009-2019 period. In particular, the legislation would:

- For tax years 2009 and 2010, create a refundable tax credit of up to \$500 for a single taxpayer (\$1,000 for joint filers) to be phased out for taxpayers with income above certain thresholds and reduced for taxpayers receiving economic recovery payments under the bill. It is anticipated that the credit would be partially reflected in reduced income tax withholding from paychecks. JCT estimates that the provisions would reduce revenues by \$96 billion and increase outlays by \$46 billion over the 2009-2011 period.
- For tax year 2009, raise the exemption amount allowed against one's income for alternative minimum tax purposes and extend a rule allowing the use of

nonrefundable personal credits against the AMT. JCT estimates that these provisions would reduce revenues by \$70 billion over the 2009-2011 period.

- Extend through 2009 provisions that allow businesses to partially expense (immediately deduct from taxable income) a portion of their investment in most equipment and temporarily allow firms an expanded use of losses in unprofitable years and certain business tax credits to obtain refunds of past taxes paid. JCT estimates that these and other business-related tax provisions would increase outlays by \$0.4 billion over the 2009-2019 period, reduce revenues by \$138 billion over the 2009-2010 period, and increase revenues in subsequent years, for a net revenue loss of \$32 billion over the 2009-2019 period.
- Modify an existing nonrefundable tax credit for higher education expenses to increase the maximum credit allowed to \$2,500, lengthen the period for which the credit may be claimed to four years, expand the list of qualifying expenses, and make up to 30 percent of the credit refundable. JCT estimates that these provisions would reduce revenues by \$10 billion and increase outlays by \$3 billion over the 2009-2011 period.
- Expand the opportunities for state, local, and tribal governments to issue tax-credit and tax-exempt bonds and allow state and local governments to receive a refundable tax credit for specified interest expenses. JCT estimates that these and other provisions related to financing and contracting activity would reduce revenues by \$19 billion and increase outlays by \$5 billion over the 2009-2019 period. Over 90 percent of the increase in the deficit would occur after 2010.
- Extend by three years the tax credit for renewable energy production from various qualifying facilities, including wind, biomass, geothermal, and hydropower facilities. JCT estimates that this and other energy-related tax provisions would reduce revenues by \$20 billion over the 2009-2019 period. The estimated revenue reductions are about \$1 billion to \$2 billion per year over the period.
- For tax years 2009 and 2010, increase the earned income tax credit for taxpayers with three or more qualifying children to 45 percent of their eligible earned income, and reduce the limitation on the amount of earned income used to calculate the refundable portion of the \$1,000 child tax credit. Additionally, the bill would amend the first-time homebuyer credit and allow taxpayers to exclude from their 2009 gross income a portion of unemployment compensation received. JCT estimates that these provisions would reduce revenues by \$9 billion over the 2009-2019 period and increase outlays by \$15 billion over the 2009-2011 period.

In addition, title I would increase direct spending by about \$17 billion for direct payments to specified individuals and other programs.

Under the Inouye-Baucus amendment to H.R. 1, the Secretary of the Treasury would make a one-time, \$300 payment to individuals who were entitled to Social Security, Railroad Retirement, Veterans' Compensation and Pension, or Supplemental Security Income benefits at any point in the three calendar months prior to enactment of the legislation. These provisions exclude certain groups from eligibility for the \$300 payment, notably children receiving Social Security benefits and individuals who are not found to be eligible until after December 31, 2010. Individuals entitled to federal benefits from multiple programs would receive only a single \$300 payment. The legislation also would provide funding for the relevant agencies to administer the payments. Recipients of the payment would face a reduction in the refundable tax credit of up to \$1,000 (for joint filers) provided by the legislation.

Based on information from the Social Security Administration, the Railroad Retirement Board, and the Department of Veterans Affairs, CBO expects that approximately 55 million individuals would receive a payment upon implementation, and another 1 million individuals would receive a payment later in 2009 or 2010 after approval of their application for benefits. CBO estimates that enacting this provision would increase federal outlays by \$16.8 billion in 2009 and \$0.2 billion in 2010.

Title I of Division B also would temporarily extend the Trade Adjustment Assistance (TAA) program for workers, firms, and farmers, and would extend by two years the Alternative Trade Adjustment Assistance demonstration program (wage insurance for older workers). Consistent with the budget projection rules in section 257 of the Deficit Control Act, the costs of extending TAA for Workers are included in CBO's baseline and are therefore not included in the costs attributable to this legislation. CBO estimates those costs would total about \$1 billion. Costs for TAA for Farmers and the wage insurance demonstration program under TAA for workers are not assumed to continue in CBO's baseline projections. CBO estimates costs attributable to their continuation for two years would total about \$100 million over the 2009-2012 period.

Finally, title I also contains a provision that would prevent the federal government from collecting amounts paid to certain firms under the Continued Dumping and Subsidy Offset Act that, as the result of litigation, were ruled improper. CBO estimates that provision would increase direct spending by \$0.1 billion over the 2009-2013 period (with no effect after 2013).

**Unemployment Insurance and Other Provisions.** Title II of Division B would increase direct spending for several programs. CBO estimates that those changes would increase

outlays by about \$17.8 billion in 2009, \$22.3 billion in 2010, and small amounts in later years for a total of about \$42.7 billion over the 2009-2019 period. On net, those provisions would decrease revenues by \$0.6 billion from 2009-2019.

*Unemployment Benefits.* Title II would extend the date by which an individual must exhaust his or her regular unemployment benefits in order to qualify for emergency benefits from March 31, 2009, to December 31, 2009, boosting outlays by an estimated \$12 billion in 2009 and \$15 billion in 2010. Currently, Emergency Unemployment Compensation (EUC) is available to individuals who exhaust their regular benefits by March 31, 2009. Such individuals are eligible for an additional 20 weeks of benefits, and 13 weeks more if they are in a state with “high unemployment” (defined as a total unemployment rate of 6 percent or higher or an insured unemployment rate of 4 percent or more). Effective January 25, 2009, 29 states had met the “high unemployment” measure. CBO estimates that, from its original enactment in June 2008 through December 2009, 6.7 million people will collect EUC.

In addition, title II would temporarily raise the weekly benefit for recipients of unemployment compensation by \$25, increasing outlays by an estimated \$5 billion in 2009 and \$4 billion in 2010. Those benefits would be paid from general funds, rather than by state trust funds.

The legislation also would provide \$0.5 billion for administrative costs and up to \$7.0 billion for incentive payments to states that adopt certain provisions in law to provide benefits to individuals who may not qualify under existing criteria. (CBO estimates that \$2.1 billion of the \$7.0 billion in incentive payments would ultimately go to states that meet the criteria. Those transferred amounts would result in lower state employment taxes in future years.) CBO estimate that outlays would increase by about \$1.5 billion over the 2009-2019 period, both as a result of expanded coverage and from the administrative funding.

Through calendar year 2010, title II would forgive interest due on advances to states that must borrow from the federal accounts in the unemployment trust fund in order to pay their regular benefits. Under certain circumstances, borrowing within a fiscal year is currently interest-free. However, CBO expects that several states will need to borrow for longer periods that would cross fiscal years in order to pay benefits, and that, under current law, such borrowing will incur interest charges. Those interest payments are credited to the federal government as offsetting receipts (or negative outlays). CBO estimates that this policy would reduce those payments by a total of \$1.1 billion in fiscal years 2009, 2010 and 2011.

Finally, changing unemployment compensation would have modest effects on federal revenues—a net decrease in revenues that would result from the incentive payments, which would be partially offset by an increase in state employment taxes to offset the cost of higher benefits. Overall, CBO estimates that, as a result of the provisions of this title, federal revenues would decline by \$0.6 billion over the 2009-2019 period.

*Temporary Assistance for Needy Families (TANF).* Title II also would appropriate \$3 billion in 2009 for an emergency fund for TANF. That funding could be used by any state where spending in either of fiscal years 2009 or 2010 on certain components of the TANF program exceeds the amounts spent in either 2007 or 2008, whichever is lower. Such emergency funds apply to TANF spending for basic assistance, nonrecurring expenses, or subsidized employment. Under the legislation, the federal government would provide funding to make up 80 percent of the difference between that 2009 or 2010 spending and either the 2007 or 2008 spending. In either 2009 or 2010, funds from this program could not, in combination with any money received from the TANF contingency fund, exceed 25 percent of that state's family assistance grant. CBO estimates that this provision would increase spending by about \$2.3 billion, most of which would occur before the beginning of 2012. (Under the proposed amendment, the emergency funding would be temporary in nature and not extrapolated for baseline or scorekeeping purposes.)

In addition, the bill would extend the TANF Supplemental Grant of \$319 million through fiscal year 2010. CBO estimates that most of those funds would be spent by the end of 2011.

*Child Support Incentives.* Title II would reverse section 7309 of the Deficit Reduction Act of 2005 through the end of calendar year 2010. By doing so, it would allow the federal government to resume matching state expenditures of federal child-support incentive payments at an estimated cost of \$1.2 billion.

**Health Insurance for Unemployed Workers.** Some involuntarily separated individuals will elect continuation of their employer's health insurance coverage as permitted under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under Section 3001, the federal government would in effect assume 65 percent of the cost of COBRA health insurance premiums for up to nine months for individuals involuntarily separated from their employer after August 31, 2008, and before January 1, 2010.

The affected individuals would make smaller payments to businesses of COBRA health insurance premiums, and businesses would be provided with an equivalent credit to allow them to reduce their remittances of withholding for individual income and payroll taxes. In some cases, businesses would receive a federal cash payment if they could not use the

mechanism of reducing withholding-tax remittances. Businesses would not use the credit specifically to reduce their tax liability, but instead to reduce their remittance of taxes, most of which are the tax liability of their employees. Because the credit lacks a direct, identifiable link to the tax liability of a business, CBO considers the credit to be indistinguishable from a federal payment to a business, and the budgetary effects solely to be increases in direct spending (that is, this estimate reflects the costs of the credit as an increase in outlays, rather than a decrease in revenues). Including interactions that would increase both unemployment benefits and taxes by relatively small amounts, CBO estimates that the COBRA provisions overall would increase deficits by about \$26 billion over the 2009-2019 period, most of which would occur in fiscal years 2009 and 2010.

**Medicaid Provisions.** In title III, section 3101 would extend transitional medical assistance (TMA) through December 30, 2010. This section would modify TMA by allowing individuals to receive benefits for a longer period of time and would waive the requirement that a family have three months of Medicaid coverage before receiving TMA. CBO estimates that this provision would increase federal spending by \$1.3 billion over the 2009-2014 period.

Section 3201 would extend the Qualified Individual Program, which provides assistance toward the payment of Medicare Part B premiums to individuals earning between 120 percent and 135 percent of the federal poverty level, through December 31, 2009. CBO estimates that this provision would increase federal spending by \$550 million over the 2009-2014 period.

**Health Information Technology.** Title IV of Division B would establish payment incentives in the Medicare and Medicaid programs to encourage providers to adopt health information technology (health IT). Although adoption would be encouraged through financial incentives administered through those programs, all health care spending—both public and private—would be affected by the increased use of health IT. CBO expects that its adoption on a nationwide basis would reduce total spending on health care by diminishing the number of inappropriate tests and procedures, reducing paperwork and administrative overhead, and decreasing the number of adverse events resulting from medical errors.

CBO estimates that the payment incentives would increase spending for the Medicare and Medicaid programs by \$32.9 billion over the 2009-2019 period. The expanded use of health IT would reduce on-budget direct spending for health benefits by the Medicare, Medicaid, and Federal Employees Health Benefits (FEHB) programs by \$12.5 billion over the same period. Enacting the health IT provision also would reduce off-budget spending for FEHB by \$0.2 billion (most FEHB spending for retirees of the U.S. Postal Service is off-budget).

Title IV also would provide funding for some costs incurred by the Centers for Medicare and Medicaid Services in administering the payment-incentive provisions and increase payment rates for teaching hospitals. CBO estimates that those provisions would increase direct spending by \$1.4 billion over the 2009-2019 period.

Because accelerating the use of health IT would lower health care costs for private payers, it would result in lower health insurance premiums in the private sector. As a result, private employers would pay less of their employees' compensation in the form of tax-advantaged health insurance premiums and more in the form of taxable wages and salaries. Therefore, federal tax revenues would increase. CBO estimates that on-budget revenues (from income taxes and the Hospital Insurance payroll tax—for Medicare Part A) would increase by \$2.1 billion over the 2011-2019 period. Higher receipts from Social Security payroll taxes, which are off-budget, would add another \$1.1 billion, resulting in an estimated increase in total tax revenues of \$3.2 billion over the 2011-2019 period.

As a result of the effects of the health IT provisions on direct spending and revenues, CBO estimates that enacting the legislation would increase on-budget deficits by a total of \$19.7 billion over the 2009-2019 period; it would increase the unified budget deficit over that period by an estimated \$18.4 billion. Increased spending in the near term would be partially offset by Medicare savings in later years; as a result, those provisions would increase unified deficits by about \$23 billion through 2014 but would yield savings in later years, reducing the net 11-year impact to about \$18 billion total through 2019.

**Federal Medical Assistance Percentage.** Section 5001 (in title V) would temporarily increase the federal medical assistance percentage (FMAP) used for the Medicaid program from October 1, 2008, through December 31, 2010. The Medicaid FMAP is the share of the total cost of Medicaid-covered medical services that the federal government pays and is based on a formula that assigns a higher federal matching rate to states that have lower income per capita (and vice versa) relative to the national average. The average FMAP that the federal government pays is 57 percent nationwide; states contribute the remaining 43 percent of the cost of services. Under current law, each state's FMAP is updated annually to reflect changes in state per capita incomes.

The legislation would increase the FMAP in three ways for states during the period of October 1, 2008, to December 31, 2010—the “recession adjustment period.” First, the bill would ensure that states do not face a reduction in their FMAP. It also would increase the FMAP rates for all states and the District of Columbia by 7.6 percentage points if they pay at least 90 percent of claims from physicians, shared health facilities (which include hospitals), and nursing homes within 30 days. Territories would receive about

15 percent increase in their annual Medicaid allotments. In addition, states (and the District of Columbia, if it qualifies) that have experienced at least a 1.5 percentage point increase in their unemployment rate would be eligible for a further increase to their FMAP based on a tiered formula that provides larger increases in the FMAP to states with larger increases in their unemployment rates. Each of the changes described above would apply for the recession adjustment period, as defined in the legislation. This policy (excluding the extra funding for states with a large increase in the unemployment rate) also would apply to IV-E foster care and adoption assistance, which uses the FMAP to determine maintenance payment rates.

To receive any of the increased FMAP rates under title V, states could not modify Medicaid eligibility standards or procedures during the period in a manner that would restrict eligibility. CBO estimates that the provision would increase Medicaid outlays by \$85.5 billion over the 2009-2019 period, mostly in fiscal years 2009 and 2010. (Additional outlays for IV-E foster care and adoption would total about \$1.2 billion.)

**Additional State Fiscal Relief.** In title V, section 5002 would provide certain states with higher Disproportionate Share Hospital (DSH) allotments. The DSH program provides states with funding that can pay for uncompensated care and/or supplement Medicaid payments to providers. Funding is limited by statutory allotments, which are determined state-by-state. This provision would provide states with low DSH allotments, relative to their spending on medical services, a higher allotment through December 31, 2010. CBO estimates that this provision would increase federal spending by about \$0.4 billion over both the 2009-2014 period and the 2009-2019 period.

Section 5003 would require the Department of Health and Human Services and the Social Security Administration to work with states to determine the amount owed to states for Medicaid services furnished to some disabled individuals who were entitled to both Medicare and Medicaid coverage, but remained enrolled only in the Medicaid program. Based on information from the Centers for Medicare and Medicaid Services, CBO estimates that this provision would increase federal spending by \$3.0 billion in 2009 (with no effect after this year).

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

CBO and JCT have determined that the proposed amendment contains both intergovernmental and private-sector mandates as defined in the Unfunded Mandates Reform Act. Public and private entities that handle health information would be required to comply with new regulations related to the usage, disclosure, and privacy of such information. Those new regulations would impose intergovernmental and private-sector

mandates. The legislation also would preempt state standards governing health information, and that preemption would be an intergovernmental mandate. Provisions of the amendment that modify the requirements and conditions of continued coverage under COBRA for certain employers who offer group health insurance also would impose a mandate on private-sector entities, as would the clarification of regulations related to limitations on the use of certain business losses following an ownership change.

The aggregate cost to the private sector of complying with those mandates would exceed the annual threshold established in UMRA for private-sector mandates (\$139 million in 2009, adjusted annually for inflation). The costs to state, local and tribal governments of complying with mandates in the legislation would be well below the annual threshold established in UMRA for intergovernmental mandates (\$69 million in 2009, adjusted annually for inflation).

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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2009 - 2019
<b>Discretionary Spending 1/</b>												
<b>Division A</b>												
Title I - Agriculture, Rural Development, Food and Drug Administration, and Related Agencies												
Rural Water and Waste Disposal Program Account												
Budget Authority	1,375	0	0	0	0	0	0	0	0	0	0	1,375
Estimated Outlays	55	275	413	330	138	110	27	0	0	0	0	1,348
Supplemental Nutrition Assistance Program												
Estimated Budget Authority	8,231	4,864	3,280	177	10	0	0	0	0	0	0	16,562
Estimated Outlays	8,179	4,866	3,330	177	10	0	0	0	0	0	0	16,562
Other												
Budget Authority	3,704	4	6	6	2	2	2	2	2	2	2	3,734
Estimated Outlays	1,125	1,786	545	159	49	30	8	2	2	2	2	3,710
Subtotal, Title I												
Budget Authority	13,310	4,868	3,286	183	12	2	2	2	2	2	2	21,671
Estimated Outlays	9,359	6,927	4,288	666	197	140	35	2	2	2	2	21,620
Title II - Commerce, Justice, Science and Related Agencies												
Broadband Technology Opportunities Program												
Budget Authority	9,000	0	0	0	0	0	0	0	0	0	0	9,000
Estimated Outlays	124	1,186	1,510	2,540	2,500	820	320	0	0	0	0	9,000
State and Local Law Enforcement Assistance												
Budget Authority	2,640	0	0	0	0	0	0	0	0	0	0	2,640
Estimated Outlays	396	792	528	396	528	0	0	0	0	0	0	2,640
Other												
Budget Authority	9,873	0	0	0	0	0	0	0	0	0	0	9,873
Estimated Outlays	2,500	3,769	1,671	981	536	118	56	30	0	0	0	9,661
Subtotal, Title II												
Budget Authority	21,513	0	0	0	0	0	0	0	0	0	0	21,513
Estimated Outlays	3,020	5,747	3,709	3,917	3,564	938	376	30	0	0	0	21,301
Title III - Department of Defense												
Budget Authority	3,746	0	0	0	0	0	0	0	0	0	0	3,746
Estimated Outlays	1,360	1,728	466	120	40	12	3	0	0	0	0	3,729
Title IV - Energy and Water Development												
Energy Efficiency and Renewable Energy												
Budget Authority	14,398	0	0	0	0	0	0	0	0	0	0	14,398
Estimated Outlays	396	1,855	2,905	3,400	2,550	2,072	891	224	105	0	0	14,398
Innovative Technology Loan Guarantee Program												
Budget Authority	10,000	0	0	0	0	0	0	0	0	0	0	10,000
Estimated Outlays	95	1,633	2,065	2,130	2,130	1,785	45	18	5	0	0	9,906
Other Energy Programs												
Budget Authority	16,955	175	275	475	875	1,050	1,050	1,050	1,050	490	0	23,445
Estimated Outlays	1,293	3,927	5,042	4,596	2,475	2,150	1,280	1,142	1,050	470	-30	23,395
Corps of Engineers												
Budget Authority	4,600	0	0	0	0	0	0	0	0	0	0	4,600
Estimated Outlays	1,071	1,677	1,008	423	318	103	0	0	0	0	0	4,600

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By Fiscal Year, Millions of Dollars												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2009 - 2019
<b>Discretionary Spending (continued) 1/</b>												
<b>Division A (continued)</b>												
Other, Title IV												
Budget Authority	1,400	0	0	0	0	0	0	0	0	0	0	1,400
Estimated Outlays	252	700	280	168	0	0	0	0	0	0	0	1,400
Subtotal, Title IV												
Budget Authority	47,353	175	275	475	875	1,050	1,050	1,050	1,050	490	0	53,843
Estimated Outlays	3,107	9,792	11,300	10,717	7,473	6,110	2,216	1,384	1,160	470	-30	53,699
Title V - Financial Services and and General Government												
Federal Buildings Fund												
Budget Authority	9,048	0	0	0	0	0	0	0	0	0	0	9,048
Estimated Outlays	400	900	1,600	1,700	1,500	1,300	600	400	200	200	0	8,800
Other												
Budget Authority	1,714	0	0	0	0	0	0	0	0	0	0	1,714
Estimated Outlays	248	806	565	72	17	0	0	0	0	0	0	1,708
Subtotal, Title V												
Budget Authority	10,762	0	0	0	0	0	0	0	0	0	0	10,762
Estimated Outlays	648	1,706	2,165	1,772	1,517	1,300	600	400	200	200	0	10,508
Title VI - Homeland Security												
Budget Authority	5,077	0	0	0	0	0	0	0	0	0	0	5,077
Estimated Outlays	715	1,127	1,517	907	479	229	57	0	0	0	0	5,031
Title VII - Interior, Environment, and Related Agencies												
Clean Water and Drinking Water State Revolving Funds												
Budget Authority	6,000	0	0	0	0	0	0	0	0	0	0	6,000
Estimated Outlays	180	1,380	1,800	1,240	600	320	120	68	36	42	0	5,786
Other												
Budget Authority	5,644	0	0	0	0	0	0	0	0	0	0	5,644
Estimated Outlays	1,114	2,423	1,047	608	206	9	9	9	9	6	0	5,440
Subtotal, Title VII												
Budget Authority	11,644	0	0	0	0	0	0	0	0	0	0	11,644
Estimated Outlays	1,294	3,803	2,847	1,848	806	329	129	77	45	48	0	11,226
Title VIII - Departments of Labor, Health and Human Services, and Education, and Related Agencies												
National Coordinator for Health Information Technology												
Budget Authority	5,000	0	0	0	0	0	0	0	0	0	0	5,000
Estimated Outlays	750	3,200	900	100	0	0	0	0	0	0	0	4,950
Public Health and Social Services Emergency Fund												
Budget Authority	5,800	0	0	0	0	0	0	0	0	0	0	5,800
Estimated Outlays	1,108	3,423	859	243	116	0	0	0	0	0	0	5,749
Other Department of Health and Human Services												
Budget Authority	12,644	0	0	0	0	0	0	0	0	0	0	12,644
Estimated Outlays	2,100	3,787	3,304	2,061	1,119	99	10	0	0	0	0	12,480
Employment and Training Administration												
Budget Authority	3,770	0	0	0	0	0	0	0	0	0	0	3,770
Estimated Outlays	592	1,866	981	220	10	0	0	0	0	0	0	3,669

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By Fiscal Year, Millions of Dollars												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2009 - 2019
<b>Discretionary Spending (Continued) 1/</b>												
<b>Division A (continued)</b>												
Department of Education												
Education for the Disadvantaged												
Budget Authority	13,000	0	0	0	0	0	0	0	0	0	0	13,000
Estimated Outlays	494	6,210	5,776	520	0	0	0	0	0	0	0	13,000
School Improvement Programs												
Budget Authority	17,070	0	0	0	0	0	0	0	0	0	0	17,070
Estimated Outlays	565	6,797	6,497	3,051	160	0	0	0	0	0	0	17,070
Special Education												
Budget Authority	13,500	0	0	0	0	0	0	0	0	0	0	13,500
Estimated Outlays	810	6,345	5,670	675	0	0	0	0	0	0	0	13,500
Student Financial Assistance												
Budget Authority	13,930	0	0	0	0	0	0	0	0	0	0	13,930
Estimated Outlays	411	12,768	-3	0	0	0	0	0	0	0	0	13,176
Other Education												
Budget Authority	4,214	0	0	0	0	0	0	0	0	0	0	4,214
Estimated Outlays	352	1,459	1,694	534	175	0	0	0	0	0	0	4,214
Other, Title VIII												
Budget Authority	386	0	0	0	0	0	0	0	0	0	0	386
Estimated Outlays	52	139	109	61	5	4	4	2	0	0	0	376
Subtotal, Title VIII												
Budget Authority	89,314	0	0	0	0	0	0	0	0	0	0	89,314
Estimated Outlays	7,234	45,994	25,787	7,465	1,585	103	14	2	0	0	0	88,184
Title IX - Legislative Branch Government Accountability Office												
Budget Authority	20	0	0	0	0	0	0	0	0	0	0	20
Estimated Outlays	6	12	2	0	0	0	0	0	0	0	0	20
Title X - Military Construction and Veterans Affairs and Related Agencies												
Budget Authority	7,428	0	0	0	0	0	0	0	0	0	0	7,428
Estimated Outlays	586	2,555	2,483	1,252	333	118	39	0	0	0	0	7,366
Title XI - State Foreign Operations and Related Programs												
Budget Authority	1,031	0	0	0	0	0	0	0	0	0	0	1,031
Estimated Outlays	195	336	266	165	69	0	0	0	0	0	0	1,031
Title XII - Transportation and Housing and Urban Development												
Highway Construction												
Budget Authority	27,060	0	0	0	0	0	0	0	0	0	0	27,060
Estimated Outlays	2,706	6,765	5,412	4,059	2,977	2,706	1,894	541	0	0	0	27,060
Other Transportation												
Budget Authority	18,408	0	0	0	0	0	0	0	0	0	0	18,408
Estimated Outlays	1,798	2,897	4,633	3,854	2,498	1,616	943	193	-24	0	0	18,408
Housing Assistance												
Budget Authority	12,863	0	0	0	0	0	0	0	0	0	0	12,863
Estimated Outlays	2,488	2,553	3,331	2,156	1,548	14	14	0	0	0	0	12,104
Community Development Fund												
Budget Authority	2,250	0	0	0	0	0	0	0	0	0	0	2,250
Estimated Outlays	135	540	787	495	225	45	0	0	0	0	0	2,227
Subtotal, Title XII												
Budget Authority	60,581	0	0	0	0	0	0	0	0	0	0	60,581
Estimated Outlays	7,127	12,755	14,163	10,564	7,248	4,381	2,851	734	-24	0	0	59,799

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By Fiscal Year, Millions of Dollars												Total
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009 - 2019
<b>Discretionary Spending (continued) 1/</b>												
<b>Division A (continued)</b>												
Title XIII - State Fiscal Stabilization												
Fund												
Budget Authority	79,000	0	0	0	0	0	0	0	0	0	0	79,000
Estimated Outlays	9,178	42,448	24,703	2,671	0	0	0	0	0	0	0	79,000
Total, Division A												
Budget Authority	350,779	5,043	3,561	658	887	1,052	1,052	1,052	1,052	492	2	365,630
Estimated Outlays	43,829	134,930	93,696	42,064	23,311	13,660	6,320	2,629	1,383	720	-28	362,514
<b>Direct Spending</b>												
<b>Division B</b>												
Title I - Tax Provisions												
Economic Recovery Payments												
Estimated Budget Authority	16,795	165	20	0	0	0	0	0	0	0	0	16,980
Estimated Outlays	16,770	190	20	0	0	0	0	0	0	0	0	16,980
Other Non-tax Provisions												
Estimated Budget Authority	116	152	30	10	10	0	0	0	0	0	0	318
Estimated Outlays	41	85	49	13	10	0	0	0	0	0	0	198
Refundable Tax Credits and Grants												
Estimated Budget Authority	1,147	32,250	31,640	571	562	553	545	536	528	520	511	69,363
Estimated Outlays	1,147	32,250	31,640	571	562	553	545	536	528	520	511	69,363
Subtotal, Title I												
Estimated Budget Authority	18,058	32,567	31,690	581	572	553	545	536	528	520	511	86,661
Estimated Outlays	17,958	32,525	31,709	584	572	553	545	536	528	520	511	86,541
Title II - Assistance for Unemployed Workers and Struggling Families												
Extend Emergency Unemployment Benefits												
Estimated Budget Authority	11,740	15,310	0	0	0	0	0	0	0	0	0	27,050
Estimated Outlays	11,740	15,310	0	0	0	0	0	0	0	0	0	27,050
Other Unemployment Compensation												
Estimated Budget Authority	5,220	5,150	425	260	105	100	105	110	110	115	120	11,820
Estimated Outlays	5,220	5,150	425	260	105	100	105	110	110	115	120	11,820
TANF and Child Support												
Estimated Budget Authority	3,462	738	122	-12	-3	-1	0	0	0	0	0	4,306
Estimated Outlays	870	1,830	858	185	49	13	4	1	0	0	0	3,810
Subtotal, Title II												
Estimated Budget Authority	20,422	21,198	547	248	102	99	105	110	110	115	120	43,176
Estimated Outlays	17,830	22,290	1,283	445	154	113	109	111	110	115	120	42,680
Title III - Health Insurance Assistance												
Estimated Budget Authority	16,231	10,457	1,703	114	9	9	9	20	20	20	20	28,613
Estimated Outlays	16,231	10,453	1,701	115	11	11	9	20	20	20	20	28,612
Title IV - Health Information Technology												
Estimated Budget Authority	310	160	4,493	6,447	6,681	5,555	3,108	539	-1,476	-2,042	-2,235	21,540
Estimated Outlays	289	160	4,493	6,447	6,681	5,555	3,108	550	-1,476	-2,042	-2,225	21,540
Title V - State Fiscal Relief												
Estimated Budget Authority	36,041	41,970	12,040	30	0	0	0	0	0	0	0	90,081
Estimated Outlays	36,018	41,986	12,047	30	0	0	0	0	0	0	0	90,081
Subtotal, Spending												
Estimated Budget Authority	91,063	106,352	50,473	7,420	7,364	6,216	3,768	1,205	-818	-1,387	-1,584	270,071
Estimated Outlays	88,326	107,414	51,233	7,621	7,418	6,231	3,772	1,217	-818	-1,387	-1,574	269,454

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By Fiscal Year, Millions of Dollars												
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total 2009 - 2019
<b>Revenues</b>												
<b>Division B (continued)</b>												
Title I - Tax Provisions	-101,037	-218,434	2,888	23,466	13,820	9,421	5,970	3,808	2,553	2,087	-219	-255,685
Title II - Assistance for Unemployed Workers and Struggling Families	0	-165	-155	-205	-165	-95	-60	30	45	80	85	-605
Title III - Health Insurance Assistance	0	65	124	138	117	75	46	19	2	0	0	586
Title IV - Health Information Technology	0	0	100	225	330	380	410	400	415	440	460	3,160
Subtotal, Revenues	-101,037	-218,534	2,957	23,624	14,102	9,781	6,366	4,257	3,015	2,607	326	-252,544
Net Budgetary Effect, Division B	189,363	325,948	48,276	-16,003	-6,684	-3,550	-2,594	-3,040	-3,833	-3,994	-1,900	521,998
<b>Net Impact on the Deficit</b>												
<b>Net Increase in the Deficit</b>	<b>233,192</b>	<b>460,878</b>	<b>141,972</b>	<b>26,061</b>	<b>16,627</b>	<b>10,110</b>	<b>3,726</b>	<b>-411</b>	<b>-2,450</b>	<b>-3,274</b>	<b>-1,928</b>	<b>884,512</b>
<b>Memorandum</b>												
<b>On-Budget</b>												
Estimated Budget Authority	441,842	111,395	54,044	8,102	8,283	7,302	4,858	2,293	247	-880	-1,568	635,918
Estimated Outlays	132,155	242,344	144,939	49,709	30,761	19,925	10,130	3,882	578	-652	-1,588	632,184
Revenues	-101,021	-218,504	2,931	23,544	13,987	9,651	6,226	4,122	2,875	2,457	171	-253,570
Net Impact on the Deficit	233,176	460,848	142,008	26,165	16,774	10,274	3,904	-240	-2,297	-3,109	-1,759	885,754
<b>Off-Budget</b>												
Estimated Budget Authority	0	0	-10	-24	-32	-34	-38	-36	-13	-15	-14	-216
Estimated Outlays	0	0	-10	-24	-32	-34	-38	-36	-13	-15	-14	-216
Revenues	-16	-30	26	80	115	130	140	135	140	150	155	1,026
Net Impact on the Deficit	16	30	-36	-104	-147	-164	-178	-171	-153	-165	-169	-1,242
<b>Unified Budget</b>												
Estimated Budget Authority	441,842	111,395	54,034	8,078	8,251	7,268	4,820	2,257	234	-895	-1,582	635,701
Estimated Outlays	132,155	242,344	144,929	49,685	30,729	19,891	10,092	3,846	565	-667	-1,602	631,968
Revenues	-101,037	-218,534	2,957	23,624	14,102	9,781	6,366	4,257	3,015	2,607	326	-252,544
Net Impact on the Deficit	233,192	460,878	141,972	26,061	16,627	10,110	3,726	-411	-2,450	-3,274	-1,928	884,512

Source: Congressional Budget Office and Joint Committee on Taxation.

Notes: TANF = Temporary Assistance for Needy Families.

The estimates in this table reflect an assumed enactment date in mid-February, 2009.  
 Outlays projected for 2009 would occur over a 7 1/2 month period.

Positive revenue numbers reflect decreases in the deficit; negative revenue numbers reflect increases in the deficit.

Components may not sum to totals because of rounding.

1. Includes estimates for changes to mandatory programs contained in Division A.