

SENATE DEMOCRATS



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Democrats are Committed to Quality Affordable Health Care for All Americans

JOINTLY PREPARED BY THE SENATE DEMOCRATIC POLICY COMMITTEE
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Health Care for All Americans***

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Tab 1

Health Care Reform

Health Care Stability and Security for All Americans

- Reduce costs to make health care affordable
- Protect a patient's choice of doctors, hospitals, and insurance plans
 - Assure quality affordable health care for all Americans

Health Care Reform Talking Points

Status Quo is Unsustainable

- Reform has been delayed for too long, and it cannot wait any longer.
- The status quo is unsustainable for American families and businesses. For most American families, the status quo means paying more each year for health insurance, getting fewer benefits, and being at risk of losing their coverage all together if they lose their job, switch jobs, move, or get sick.
- Every day in America, families are struggling with the crushing cost of health care that threatens their financial stability, leaves them exposed to higher premiums and deductibles, and puts them at risk for a possible loss of health insurance as employers struggle to provide adequate health care coverage.
- Americans value their relationship with their doctor and the care they receive, but as costs rise and insurance benefits erode, they are asking for reform that protects what works and fixes what's broken.
- Since 2000, employer-sponsored health insurance premiums have nearly doubled, and health care premiums have grown three times faster than wages. Even for people with health care, all it takes is one stroke of bad luck to become one of the nearly 46 million uninsured – or the millions who have health care, but can't afford it.
- Today, there are people who say we need to defer health care reform – that during a time of economic crisis, we'll have to accept the status quo because we cannot afford to fix our health care system. What these people fail to acknowledge is that the skyrocketing cost of health care – costs that are straining family budgets, crippling businesses, and consuming government budgets – is one of the greatest threats there is to America's fiscal health.
- That is why we cannot delay this discussion any longer. Health care reform is no longer just a moral imperative, it is a fiscal imperative. If we want to create jobs and rebuild our economy, then we must address the crushing cost of health care this year.

Bringing Everyone Together for Reform

- While previous attempts at health care reform have failed, this time is different. This time, the call for reform is coming from the bottom up, from all across the spectrum – from doctors, nurses, and patients; unions and businesses; hospitals, health care providers, and

community groups; mayors, county officials, state legislators, and governors; and Democrats and Republicans.

- In early May, many of these same stakeholders that led the charge to block reform in 1993 came together to say that reform can no longer wait. These industry groups – insurance companies and hospitals, drug companies and doctors, and labor – are coming together to do their part to reduce the annual health care spending growth rate. The same organization that brought us the famous Harry and Louise ads has now come together to acknowledge that even Harry and Louise want and need health care reform.
- Working together with the President and members of Congress, the groups have begun to take historic steps to ensure that health reform will rein in health care costs for families, businesses, and the government. As a result of the health care industry's historic commitment to the President to reduce cost growth by \$2 trillion over the next ten years, the average American family will save approximately \$2,500 by 2019.
- In addition, Senate Finance Committee Chairman Baucus recently announced that pharmaceutical companies have agreed to help close the “doughnut hole” in prescription drug coverage, which will help millions of seniors who are currently subject to crushing out-of-pocket expenses.

Congressional and Presidential Action So Far

- Now Congress has begun the hard work of drafting legislation that will:
 - Reduce costs to make health care affordable
 - Protect a patient's choice of doctors, hospitals, and insurance plans
 - Assure quality affordable health care for all Americans
- We are engaged in the process of determining how we can lower costs; protect a patient's choice of doctors, hospitals, and insurance plans; and assure quality affordable health care for all Americans. Working together, our goal is to enact health care reform by the end of the year.
- In the past few months, Congress and the President have done more to advance the goal of providing quality, affordable health care for all Americans than has been done in the past decade. We've provided and protected coverage for eleven million children from working families and for seven million Americans who have lost their jobs in this downturn. We've made the largest investment in history in preventive care and wellness; invested in computerized medical records that will save money, eliminate waste, ensure privacy, and save lives; and launched a new effort to find a cure for cancer in our time. Congress passed a budget that includes a historic commitment to health reform. This action is a key step forward, and it did not happen when we last attempted to reform health care 15 years ago.
- The President acknowledges that all parties won't always see eye to eye as the details of health care reform are determined. There are many areas of agreement that do exist, and these will serve as the starting point of this process.
- In fact, most of the bills that have been released have a great deal in common – they begin to provide American families the stability that is threatened by the health care status quo:

- They guarantee the availability of quality affordable health care for all Americans so you don't have to worry about being denied coverage if you have a pre-existing condition, if you're sick, if you move, or if you lose or switch your job.
 - For the first time, insurance companies won't be able to discriminate against people who are sick or charge different premiums because of gender.
 - For the first time, all Americans who can't afford insurance will have quality and affordable choices and will receive premium assistance based on their ability to pay.
 - Americans will be able to compare health plans and shop for the best price and plan that suit their needs.
 - Small business, the backbone of our economy, will receive tax credits to make coverage more affordable and to help them compete and grow.
 - Investments in prevention and wellness will help make Americans healthier, and we can reduce health care costs.
 - Each and every bill keeps faith with the fundamental principle that the President laid out for reform – "If you like what you have, you can keep it." Nothing in any bill will take this choice away from Americans."
- We can also all agree that the only way we can rein in the federal budget deficit is by reforming health care. If we don't act, by 2020, one out of every five dollars we spend as Americans will be in health care. By 2040, it'll be one of three dollars.
 - To get this done, we can all agree that we need to eliminate fraud, waste, and abuse in the health care system and in government health programs.
 - Let's save money and protect Americans by helping doctors and hospitals with the tools they need to reduce medical errors, hospital infections, and preventable hospital readmissions.
 - Let's control costs and improve health by giving doctors the very best information so that they can provide better care, not just more care. And always remember that with this health reform, doctors make decisions with their patients and not the insurance industry or government bureaucrats.
 - We can also agree that if we make health insurance affordable for Americans and millions more receive coverage, this will save money for American families with insurance by ending the "hidden tax" Americans who have insurance pay to subsidize the unpaid emergency room costs of care for the uninsured – an existing burden that costs each American family with insurance over \$1,000 per year in higher premiums.
 - Finally, we can agree that if we want to translate these goals into policies, we need a process that is as transparent and inclusive as possible.
 - In this effort, every voice must be heard. Every idea must be considered. Every option must be on the table. Everyone must accept that no one will get everything they want, and no proposal for reform will be perfect. But when it comes to address our health care challenges, we can no longer let the perfect be the enemy of the essential.

Derived from "Reducing Costs, Preserving Choice, and Assuring Quality Affordable Health Care For All Americans," The White House, July 2009.

The Need for Health Care Reform by the Numbers

Health reform is urgent; now is the time to act.

- Every day that we fail to act, 14,000 Americans lose their health insurance.
- Every hour we fail to act, 171 Americans lose their homes to foreclosure due to medical causes.
- Every 90 seconds that we fail to act, a family files for bankruptcy due to medical bills that they cannot pay.

Health care costs will continue to skyrocket if we do not act.

- In 2000, family health insurance purchased through an employer was \$6,772.
- In 2008, it cost \$12,680.
- If we do not act, by 2016, family health insurance is expected to cost \$24,291.

Insured Americans pay a 'hidden health tax.'

- When the uninsured cannot pay for the medical care they desperately need, these costs are shifted to those who can pay. This 'hidden health tax' increases family insurance premiums by \$1,100 per year and increases individual insurance premiums by \$410 per year.

Health reform is economic reform.

- The United States loses as much as \$207 billion in lost economic productivity due to the poor health and shorter lifespan of the uninsured.
- This means our economy loses as much as \$4,541 per uninsured American, a figure most experts place well below the cost of actually providing coverage for the uninsured.
- A one percent increase in unemployment means the number of uninsured Americans grows by 1.1 million, and Medicaid and CHIP enrollment increases by one million.

We are not getting what we pay for.

- In 2007, the United States spent \$2.2 trillion on health care, which represents \$7,421 per person or 16.2 percent of the Gross Domestic Product (GDP).
- This is nearly twice the average of other developed nations.
- Yet, the United States ranks 29th in the world in infant mortality, with an infant mortality rate that has remained virtually unchanged since 2000.
- An insurance company practice of retroactively canceling health insurance is becoming more common. House committee investigators found a total of 19,776 rescissions from three insurers over five years, which saved the insurers \$300 million.

We have inherited a health care cost crisis from Republicans.

- Over the past nine years, premiums for employer-sponsored health insurance have doubled, rising three times faster than wages.
- In 2007 and 2008, 86.7 million Americans – one out of every three Americans under 65 – went without health insurance for some period of time.

Health Care Reform: The Need for Prevention and Wellness Efforts

A renewed focus on prevention and wellness policies is necessary to transform our current “sick care” system into a true health care system. Of the more than \$2 trillion the United States spends on health care each year, only four cents out of every dollar is invested in prevention and public health, despite studies showing that disease prevention can effectively reduce health care spending.[1,2,3] This limited investment results in low utilization of prevention services, with studies finding that American adults receive just half of all recommended clinical preventive services.[4]

Without a focus on prevention and wellness policies, Americans needlessly suffer and die from uncontrolled chronic conditions, which are exacerbated by our nation’s obesity epidemic. Additional efforts are also needed to encourage Americans who smoke cigarettes to quit, and to ensure those who don’t smoke never start. With just a small investment in prevention and wellness, we can make it easier for Americans to make healthier choices, avoid chronic disease, and live long, healthy, and productive lives.

Chronic Disease

More than half of all Americans live with one or more chronic conditions, and chronic diseases are responsible for seven out of ten deaths in the United States.[5,6] Specifically, five chronic diseases – heart disease, cancer, stroke, chronic obstructive pulmonary disease, and diabetes – are responsible for more than two-thirds of all deaths in the United States.[7] The cost of caring for individuals with chronic diseases accounts for approximately 75 percent of the more than \$2 trillion Americans spend on health care each year.[8] Reducing the incidence of chronic disease is a key to reducing the overall cost of health care.

Heart Disease. Heart disease is the leading cause of death in the United States, accounting for approximately 35 percent of all deaths each year, and resulting in direct and indirect costs of \$475.3 billion in 2008.[9] Approximately 80 million Americans are living with heart disease.[10]

Cancer. Estimates indicate that more than 560,000 thousand Americans will die of cancer in 2009, making cancer the second leading cause of death.[11] In 2008, the National Institutes of Health estimated total cancer costs to the nation of \$228.1 billion. Approximately 11 million Americans are living with or have a history of cancer.

Stroke. Strokes account for approximately one of every 17 deaths in the United States, and are the third leading cause of death. Direct and indirect costs due to stroke are estimated to be \$68.9 billion in 2009.[12]

Chronic Obstructive Pulmonary Disease. Chronic obstructive pulmonary disease (COPD), which, according to the Department of Health and Human Services, is widely under-diagnosed, caused approximately 122,000 deaths in 2004, making it the fourth

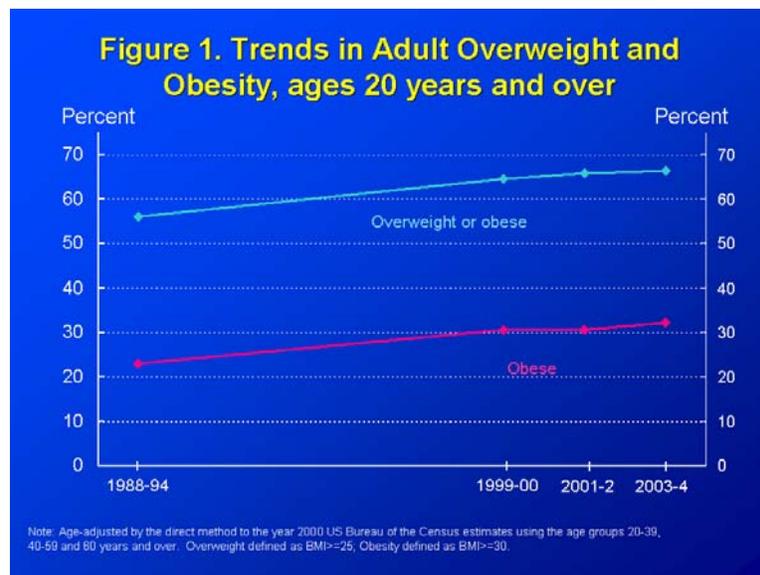
leading cause of death.[13] In 2002, the cost of COPD was \$32.1 billion, a sum that has likely increased in recent years as the prevalence of COPD has increased.[14,15] In 2006, 12 million adults were living with COPD, and the disease caused nearly 2 million emergency room visits and more than 660,000 hospitalizations.[16] In addition, another 12 million Americans may have COPD but remain undiagnosed despite having symptoms.[17]

Diabetes. Diabetes was the sixth leading cause of death in 2002, though studies indicate it may be under-reported on death certificates.[18] Direct and indirect costs of diabetes were \$174 billion in 2007.[19] In the United States, 23.6 million people have diabetes, approximately eight percent of the population.[20]

Fortunately, prevention and wellness efforts could substantially reduce the incidence of chronic disease, contribute to healthier lives, and save money now spent on treatment. For example, a recent study indicates that just a one percent reduction in adult smoking rates could result in 30,000 fewer heart attacks, 16,000 fewer strokes, and save more than \$1.5 billion over five years.[21] Another study found that the cost of heart disease treatment could be reduced by \$5.6 billion if just 10 percent of Americans began walking regularly.[22]

Obesity

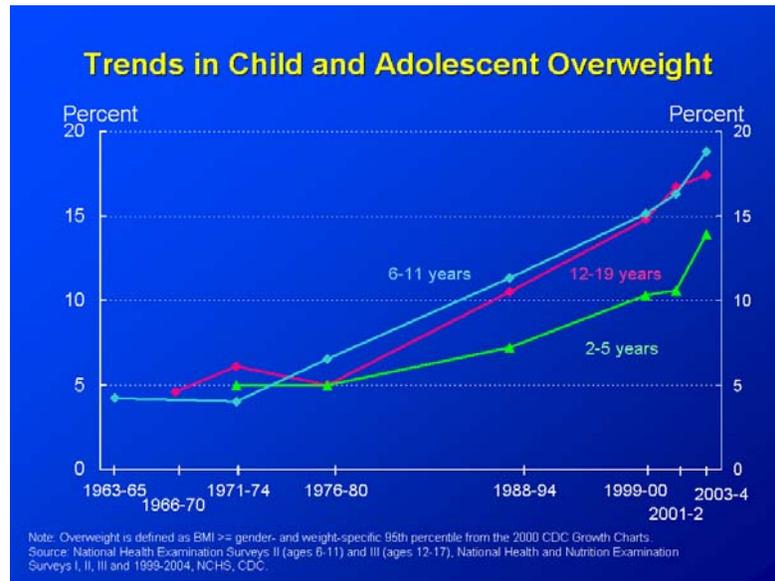
Increasing rates of obesity represent a challenge to our nation's health, with more than two-thirds of American adults now classified as obese or overweight.[23,24]



[Chart from CDC, available [here](#)]

In addition, approximately 17 percent of children and adolescents ages 2-19 are overweight.[25] This high incidence of overweight children in the United States demonstrates the need to ensure that prevention and wellness are a pervasive part of

American life, helping American children make and keep good nutrition and physical activity habits.



[Chart from CDC, available [here](#)]

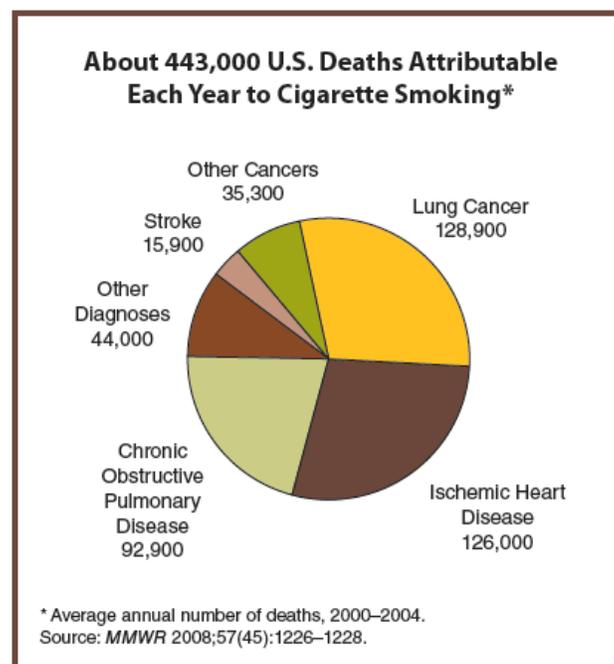
Medical studies indicate that our nation's high rates of obesity and overweight play a role in our battle with chronic disease; obesity and physical inactivity are identified as risk factors for more than 20 different chronic diseases, such as type 2 diabetes, heart disease, and some cancers.[26] This association with chronic diseases drives up the cost of caring for obese and overweight individuals. One study found that health care costs for obese workers were as much as 21 percent higher than for workers of a healthy weight.[27] Another study found that obesity among Medicare beneficiaries doubled between 1987 and 2002, but the share of spending dedicated to treating obese beneficiaries tripled, jumping from 9.4 percent to 25 percent of total Medicare spending.[28]

Part of addressing the obesity epidemic involves improving nutrition for American children and adults. *Healthy People 2010*, an initiative of the Department of Health and Human Services, provides a framework for prevention for the United States, setting national goals regarding the most significant threats to public health and strategies to reduce those threats.[29] *Healthy People 2010* establishes a goal of 75 percent of the population consuming at least two servings of fruit each day, but for the 2003-2004 period, only 40 percent of Americans met this goal.[30] Another target is for 50 percent of the population to eat three servings of vegetables each day, but only four percent of Americans met this goal in 2003-2004, a level unchanged from 1994-1996. Clearly, we must do more to help Americans make the choice to eat more fresh fruits and vegetables, and we must help low-income communities and inner-city neighborhoods access affordable, nutritious food. We must help children establish healthful nutrition habits, so they continue healthy eating into adulthood, avoiding the serious health

problems associated with poor diet, such as heart disease, stroke, and type 2 diabetes.[31]

Tobacco Use

Tobacco is the leading preventable cause of death in the United States.[32] Nearly 20 percent of American adults, or more than 43 million people, are addicted to cigarettes.[33] Tobacco use kills more than 400,000 Americans each year, and an additional 50,000 nonsmokers die prematurely each year due to exposure to secondhand smoke.[34] Americans' health suffers from tobacco use, with 8.6 million Americans currently experiencing a smoking-caused illness.[35]



Smoking harms almost every organ in the body and is a contributing factor to many of the chronic diseases with which millions of Americans struggle. For example, tobacco causes nearly 90 percent of all lung cancer deaths and at least 30 percent of deaths due to all types of cancer.[36] Smoking also causes heart disease, the leading cause of death in the United States, and is responsible for 80-90 percent of all deaths from chronic obstructive lung disease.[37]

Health care costs for these individuals are staggering, with \$96 billion in total annual public and private health care expenditures attributable to smoking.[38] Estimates indicate that American taxpayers shoulder \$68 billion of those costs due to expenditures made by Medicare, Medicaid, and other federal health programs.[39]

In addition, our national economy experiences approximately \$98.6 billion in productivity losses due to cigarette smoking and exposure to tobacco smoke, making the total economic burden of smoking approximately \$192 billion per year.[40] In contrast,

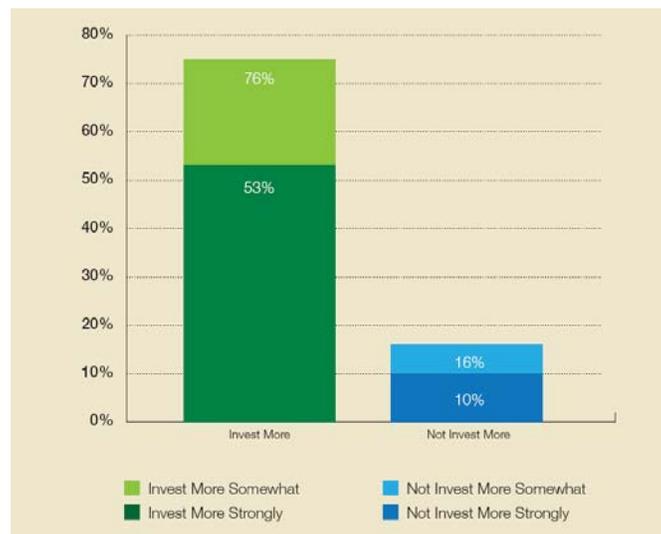
in Fiscal Year 2007, the nation invested a mere \$595 million in comprehensive, state-based tobacco prevention and control programs, 325-times less than the total economic burden of smoking.[41]

Studies show that state-based tobacco prevention and cessation programs are not funded at levels recommended by the Centers for Disease Control and Prevention (CDC). For example, in Fiscal Year 2008, states spent less than three percent of the funds available to them from tobacco taxes and the Master Settlement Agreement (MSA) with tobacco companies on prevention and cessation programs. If states invested just 15 percent of these funds on tobacco control programs, state programs would be funded at the level recommended by the CDC.[42]

Americans Support Investments in Prevention

According to a recent public opinion survey, more than three-quarters of Americans (76 percent) support increased investments in prevention programs to help people make healthier choices.[43] Investing in prevention is popular across the political spectrum, with 86 percent of Democrats, 71 percent of Republicans, and 70 percent of Independents supporting investing more in prevention.

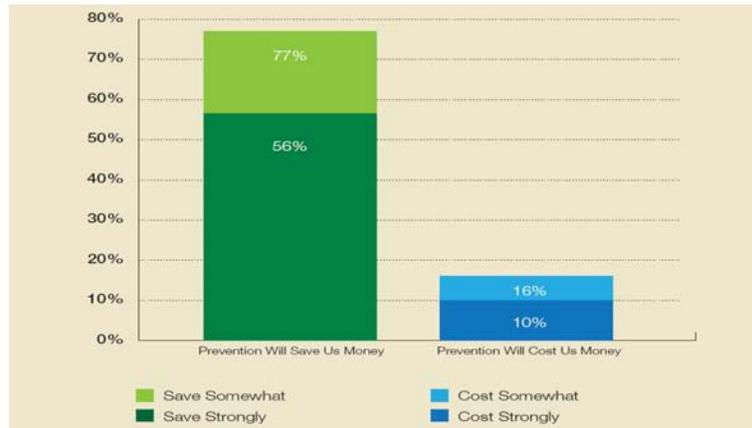
Support for More Investments in Prevention



Findings from a poll of 1,014 registered voters conducted by Greenberg Quinlan Rosner Research and Public Opinion Strategies from May 7 to 12, 2009. The margin of error was +/- 3.1 percent. Chart available [here](#)

The same survey found that investing in prevention is Americans' highest priority for health reform, with 70 percent of Americans ranking investments in prevention between 8 and 10 on a scale from zero to ten (where zero means not at all important and ten means very important).

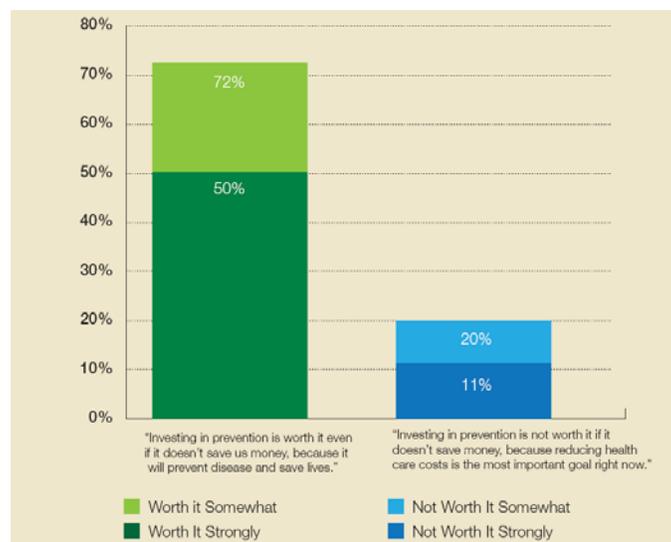
Opinion on the Ability of Prevention to Save Money



Findings from a poll of 1,014 registered voters conducted by Greenberg Quinlan Rosner Research and Public Opinion Strategies from May 7 to 12, 2009. The margin of error was +/- 3.1 percent. Chart available [here](#)

Furthermore, Americans overwhelmingly believe investments in prevention will ultimately save us money, with 77 percent of respondents agreeing with the statement “prevention will save us money.” As a further indication of the nation’s support for improved prevention efforts, 72 percent of respondents believe that investing in prevention is worth it even if it doesn’t save money, because of disease prevention and life saving benefits.

Support for Investments in Prevention Regardless of Whether it Saves Money



Findings from a poll of 1,014 registered voters conducted by Greenberg Quinlan Rosner Research and Public Opinion Strategies from May 7 to 12, 2009. The margin of error was +/- 3.1 percent. Chart available [here](#)

Addressing Prevention and Wellness in Health Reform

Health reform must truly transform health care in America from a focus on treating and curing disease to a focus on preventing disease and staying healthy. In order to increase use of preventive services already available, we must change the way health care providers are reimbursed for their services. Current payment systems focus on volume of care over value, so that while physicians certainly have a personal interest in keeping their patients healthy, they have no economic incentive to provide the preventive services that will help their patients achieve that goal.

Health insurers also lack incentive to cover preventive services as part of a benefit package, because very few people maintain the same insurance coverage for any extended period of time, with the exception of Medicare beneficiaries. Health reform must include insurance regulation reforms to provide health insurers with the necessary incentives to generously cover prevention and wellness services that will keep Americans healthy and keep health care costs under control.

Health reform should also include an investment in evidence-based disease prevention programs that target behaviors that most influence an individual's health and risk of contracting a preventable disease, such as physical activity, nutrition, and tobacco use. One study found that a \$10 per person investment in community-based disease prevention programs could yield health care cost savings of \$16 billion annually within five years, and a return on investment of more than \$6 for every \$1 invested within 10-20 years.[44] This estimate only includes health care cost savings, and does not take into account increased worker productivity and enhanced quality of life that would result from a reduction in chronic disease.

Transforming our current "sick care" system into a real health care system is no small task, but a new focus on and investments in prevention and wellness policies will reduce the number of Americans suffering from chronic disease, reduce health care costs, and help more Americans live long, healthy, and productive lives.

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Senate Democrats: Committed to Quality, Affordable Health Care for All Americans

Senate Democrats have made improving health care for Americans a top priority. Health care reform should protect what works in American health care, while fixing what doesn't work. Health care costs have reached crisis levels for families, businesses, and the government, and we all have a shared responsibility for bringing costs down and ensuring quality, affordable health care for all Americans.

Democrats are committed to a bipartisan and inclusive process, but we have already seen there will be opponents of reform no matter what we do, those who will support the status quo at all costs, even though the status quo is untenable and unsustainable. For far too long, Americans' health has suffered at the hands of these opponents of reform and the special interests that back them. Now is the time to move forward, and Democrats will no longer let the defenders of a broken system stand in the way of quality, affordable health care for all Americans.

Protecting What Works, Fixing What's Broken

Many Americans are satisfied with their health coverage and their access to health care, and health reform should allow those who are pleased with what they currently have to keep it. Health care in America has many positive features: Americans benefit from the outstanding care of many excellent doctors, nurses, and other health professionals, and the United States is a leader in medical innovation and scientific research. Senate Democrats will protect and build upon these features of our health care system, while fixing what doesn't work, including lowering costs and improving quality of care, to ensure that we have the best, most cost-effective and accessible health care in the world.

Addressing the Health Care Cost Crisis

Make no mistake - - we have a health care cost crisis in America. The skyrocketing costs of health care – including insurance premiums, copayments and prescription drugs – are hitting families, businesses, and the government. Too many Americans live in fear of the astronomical costs they would incur if they or their families experience an unexpected health care emergency.

Sharing Responsibility for Health Reform

Because we are all affected by the health care cost crisis - - individuals, businesses, and the government - - we're all in this together. We all have a shared responsibility to reform health care in America, and we should all contribute our fair share.

Offering Choices, Including the Choice to Keep What You Have

Health care in America is built on choice - - Americans choose their own doctor, hospital, and health coverage, and make their own treatment choices with the advice of their doctor. Senate Democrats are committed to preserving these choices, including the choice to keep what you have.

- **Choice of doctors and treatments.** A patient's relationship with their doctor is a personal one, and no one - - certainly no politician or bureaucrat - - should interfere with that relationship. Senate Democrats will ensure that health reform preserves the private patient-doctor relationship. Democrats want physicians to have complete and accurate information when advising their patients regarding which treatments are best for them.
- **Choice of health coverage options, including a public option.** Senate Democrats believe health insurers should compete for Americans' business on the basis of price and service, and that Americans should have a range of health insurance plans from which to choose. A public option provides one more choice and increases competition for all Americans, particularly those who are unsatisfied with their current coverage or are uninsured. Providing many alternatives for consumers keeps insurance companies honest, responsive, and accountable to their customers.
- **Health care Americans control.** Nearly 160 million Americans with employer-based health insurance are only a pink slip away from losing their coverage. Senate Democrats are committed to health reforms that provide more Americans with stability and control, helping them stay covered through changes in life, such as job loss, divorce, bankruptcy, or other circumstances.

Quality, Affordable Health Care for All Americans

Providing all Americans with quality, affordable health care means ensuring every American receives the health care they need, when they need it, at prices they can afford. In legislation passed already this year, Senate Democrats have laid the groundwork for health reform, making investments to improve quality and reduce health care costs. Senate Democrats will focus on strengthening these priority areas as the reform debate progresses.

- **Prevention and wellness.** The *Recovery Act* and the *Omnibus* included more than \$1.5 billion for prevention and wellness programs to help Americans stay healthy and productive. Promoting wellness and preventing disease saves everyone the cost of expensive medical treatment and allows Americans to live longer, more productive lives.
- **Patient-centered health research.** Americans know their doctors want what's best for them, and patient-centered health research gives doctors the tools

they need to provide the best care for every individual. Information is power, and patient-centered health research empowers doctors with independent, unbiased research on what works and what doesn't for each patient. As part of the *Recovery Act*, Democrats invested \$1.1 billion in the research doctors need to ensure every American gets the care they need, when they need it.

- **Medical innovation and scientific research.** America is a world leader in medical innovation and scientific advancement, and Senate Democrats are committed to ensuring we maintain this position. The *Recovery Act* and the *Omnibus* invested more than \$40 billion in the National Institutes of Health (NIH), the leading source of biomedical research and a key player in improving human health and extending lives.
- **Private electronic medical records.** In a medical emergency, Americans deserve the peace of mind that comes with knowing all their critical health information is available to the doctor treating them, and *is not* available to anyone else. Investments in health information technology (IT) have the potential to save billions of dollars by reducing health care costs and ensuring Americans get the care they need, when they need it, while maintaining the privacy Americans value so highly. The *Recovery Act* invested \$19 billion in the modernization and implementation of health IT. This investment will help avoid medical errors that occur when doctors lack complete information about their patient's medical history and will help reduce costs by ensuring patients don't receive duplicate tests or diagnostic procedures, simply because documentation of the original test was not readily available.
- **Eliminating waste, fraud, and abuse.** Up to one-third of our nation's health care spending does not improve health outcomes, meaning \$700 billion of health spending per year does not make us any healthier. Fraud and abuse are also of serious concern, and while it is very difficult to determine the exact amount of taxpayer funds lost to waste, fraud, and abuse, the government must do a better job of ensuring patients, businesses, and the government pay only for appropriate, legitimate health care services, and not for bad actors trying to game the system.
- **Children's health.** Health reform must ensure that our children receive quality health care, particularly well-child doctor's visits and preventive screenings, whenever necessary. Earlier this year, Senate Democrats passed the *Children's Health Insurance Program Reauthorization Act of 2009* (CHIPRA, P.L. 111-3), which reauthorized the Children's Health Insurance Program (CHIP) to continue and expand access to health insurance for lower-income children. This new law allows 6.7 million children to continue receiving health care coverage and extends coverage to 4.1 million children who are currently uninsured.

As Congress and the President explore options for providing quality, affordable health care for all Americans, Senate Democrats are committed to a full and open debate that continues to move health reform forward. Now is the time to make reform a reality, and Democrats will not yield to defenders of the status quo and the special interests who back them. Upfront investments may be necessary, but Senate Democrats are committed to health reform that ultimately lowers health care costs for individuals, for businesses, and for the government, and which will place our nation on the path to fiscal stability and ensure that every American receives the health care they need - - when they need it.

Tab 2

Economic Recovery

The *Recovery Act*: A Report on Our Accelerated Path to Progress

On February 13, 2009, the Senate approved the final version of the *American Recovery and Reinvestment Act of 2009* and sent the legislation to President Obama to be signed into law (P.L. 111-5). The *Recovery Act* is an extraordinary response by Democrats to an inherited economic crisis unlike any since the Great Depression. The legislation represents an unprecedented effort to jumpstart our economy, create and save millions of jobs, and put a down payment on addressing long-neglected challenges so our country cannot only recover from the recession, but prosper once again.

The first few months of *Recovery Act* implementation focused on:

- **Immediate relief measures to provide some stability for hard-hit families.** Stimulus payments of \$250 were sent out to more than 54 million seniors and up to 95 percent of working households saw their take-home pay increase because of the Making Work Pay tax credit. In addition, unemployed individuals began collecting an extra \$25 a week in unemployment benefits and paying 65 percent less for COBRA health insurance, which translates into as much as hundreds of dollars in savings each month for a family of four. In addition, families qualifying for the Supplemental Nutrition Assistance Program (formerly known as food stamps) have seen their benefit amount increase by over 13 percent. For a household of four, that is an \$80 per month increase in the family budget for providing nutritious meals.
- **Creating and saving jobs and fueling investments that will be the foundation of our economic recovery.** Federal agencies charged with overseeing *Recovery Act* programs began a deliberative but swift announcement of funding to the states. By the 100th day after enactment of the *Recovery Act*, the federal government had already obligated \$126 billion in *Recovery Act* funding and an estimated 150,000 jobs were created or saved by the *Recovery Act*. Since then, the total funding announced has reached \$147.2 billion and over 1,400 transportation construction projects are underway. As a result, we have already seen companies rehiring laid-off workers, constructing and renovating facilities, and the re-starting of environmental remediation activities.
- **Stabilizing state and local budgets.** Over 30 states have now qualified for their share of the \$44 billion in State Fiscal Stabilization Funds under the *Recovery Act*, an investment that is expected to create or save hundreds of thousands of education-related jobs. By stabilizing state and local budgets, we have minimized and avoided reductions in essential services – keeping police on the street, teachers in our classrooms, and the unemployed afloat.

Over the next few months, the Obama Administration has pledged to accelerate implementation of the *Recovery Act*, as seen in the “Roadmap to Recovery” initiative recently launched by Vice President Biden. The “Roadmap” describes major projects that will define the next three months of the *Recovery Act* implementation, and that are estimated to create or save 600,000 jobs. [White House, 6/2009]. This report provides a preview of these plans and a description of major activities by agencies in the past month.

For more information on the progress that the Recovery Act has already made, refer to the DPC Special Report entitled, *The Recovery Act: A Report on Our Path to Progress (5/21/09)*. For specific examples of local projects initiated or planned and jobs created and saved in your state, please refer to the DPC State Fact Sheets entitled, *The Recovery Act: A Report on the Path to Progress in the States (State-by-State Fact Sheets) (6/16/09)*.

The Recovery Act will:

Create and Save Construction Jobs and Improve Our Nation’s Infrastructure

In the next 100 days, the *Recovery Act* will enable work on rehabilitation and improvement projects at 98 airports and over 1,500 highway locations throughout the country. *Recovery Act* funding will “assist with construction of additional airport runways to increase capacity as well as the repaving of our nation’s roads to increase travel efficiency. These actions will enable more growth in the 21st Century.” [White House, 6/2009]

In addition, the Department of Transportation has announced the availability of \$1.5 billion in TIGER (Transportation Investment Generating Economic Recovery) Discretionary Grants for capital investment in surface transportation projects. Grants will be awarded on a competitive basis to projects that have a significant impact on the nation, a region or metropolitan area and can create jobs and benefit economically distressed areas. [DOT, 5/15/2009]

The following is a summary of *Recovery Act* obligations announced by DOT to date:

Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service	\$	1,528,955
Capital Grants to the National Railroad Passenger Corporation	\$	1,293,551,000
Facilities and Equipment	\$	47,936,531
Fixed Guideway Infrastructure Investment	\$	198,964,282
Grants-in-aid for Airports	\$	330,847,057
Highway Infrastructure Investment	\$	14,400,245,824
Operations and Training	\$	50,000
Transit Capital Assistance	\$	1,237,551,547
TOTAL	\$	17,510,675,196

[OMB, 6/16/2009]

Create and Save Medical Jobs and Expand Access to Quality, Affordable Care

In the next 100 days, the *Recovery Act* will enable 1,129 health centers in 50 states and eight territories to provide expanded service to approximately 300,000 patients. *Recovery Act* funding will “help to bring more doctors, nurses and facilities to rural and urban communities and support a variety of services including mental health, substance abuse and oral health treatment.” This funding will support activity in every state. [White House, 6/2009]

In addition, the Department of Health and Human Services has recently:

- Increased the federal share of Medicaid expenditures by about \$87 billion through a 6.2 percentage point increase in the Federal Medical Assistance Percentage for all states. This allows the states to maintain their level of services and frees up state funds for other

stimulus-related activities. As of June 19, States drew down approximately \$21.3 billion in Medicaid FMAP funds. [HHS, 6/19/2009]

- Received approximately 20,000 applications for *Recovery Act* Challenge Grants. This new program is designed to spur new areas of research and trigger an influx of research dollars into communities across the nation in areas including bioethics, translational science, genomics, health disparities, enhancing clinical trials, behavioral change and prevention, and regenerative medicine. Scores and summary statements will be available in August 2009. Challenge Grant awards will be issued by September 30, 2009. [HHS, 6/8/2009]
- Announced the availability of nearly \$200 million in *Recovery Act* funding to bolster health care in needy communities and relieve providers' student debt. This funding will support student loan repayments for primary care medical, dental and mental health clinicians who want to work at National Health Service Corps sites. [HHS, 6/5/2009]
- Boosted HIV prevention programs to reduce the spread of HIV and other sexually transmitted infections among heterosexual men, couples and ethnically diverse populations with a two-year research grant through the National Institute of Mental Health. [HHS, 5/26/2009]
- Provided funding to complete a project that evaluates a new training program for telephone crisis counselors at suicide hotline centers. [HHS, 5/22/2009]
- Announced that it will award its first *Recovery Act* grants to focus additional research on two common, yet complex and difficult-to-treat lung diseases. National Heart, Lung, and Blood Institute (NHLBI) of the National Institutes of Health announced 22 grants totaling \$3.3 million in *Recovery Act* funds to spur advances in the understanding of complex lung diseases by supporting research in laboratories in 16 states — Alabama, Colorado, Georgia, Illinois, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Tennessee and Texas. [HHS, 5/20/2009]
- Released \$500 million in *Recovery Act* funds to improve health care and boost the economy in Indian Country. These funds include \$227 million for health facilities construction, \$100 million for maintenance and improvements, \$85 million for health information technology, \$68 million for sanitation facilities construction, and \$20 million for health equipment that will help improve health care in Indian Country. [HHS, 5/15/2009]

The following is a summary of funding obligations announced by HHS to date:

Aging Services Programs	\$	100,000,000
Building and Facilities	\$	18,433,556
Children and Families Services Programs	\$	1,005,820,642
Disease Control, Research, and Training	\$	16,705,974
Emergency Contingency Fund for State TANF	\$	282,270,709
General Departmental Management	\$	-
Grants to States for Medicaid	\$	25,053,833,108
Health Resources and Services	\$	490,746,132

Healthcare Research and Quality	\$	307,420
Indian Health Facilities	\$	-
Indian Health Services	\$	531,346
John E. Fogarty International center	\$	1,382,632
National Cancer Institute	\$	47,589,443
National Center for Complementary and Alternative Medicine	\$	1,927,713
National Center for Research Resources	\$	56,301,644
National Center on Minority Health and Health Disparities	\$	-
National Eye Institute	\$	12,790,628
National Heart, Lung, and Blood Institute	\$	60,000,219
National Human Genome Research Institute	\$	-
National Institute of Allergy and Infectious Diseases	\$	91,594,723
National Institute of Arthritis and Musculoskeletal and Skin Di	\$	345,364
National Institute of Bioimaging & Bioengineering	\$	10,492,213
National Institute of Child Health and Human Development	\$	8,978,314
National Institute of Dental and Craniofacial Research	\$	7,708,306
National Institute of Diabetes and Digestive and Kidney Diseases	\$	8,355,315
National Institute of Environmental Health Sciences	\$	3,494,253
National Institute of General Medical Sciences	\$	3,992,428
National Institute of Mental Health	\$	23,710,294
National Institute of Neurological Disorders and Stroke	\$	20,239,284
National Institute of Nursing Research	\$	1,851,156
National Institute on Aging	\$	6,492,057
National Institute on Alcohol Abuse and Alcoholism	\$	7,588,277
National Institute on Deafness and other Communication Disorders	\$	4,832,006
National Institute on Drug Abuse	\$	21,560,424
National Library of Medicine	\$	9,195,201
Office of the Director, Recovery Act	\$	23,568,786
Office of the National Coordinator for Health Information Technology	\$	-
Payment to States for Foster Care and Adoption Assistance	\$	272,545,272
Payments to States for Child Support Enforcement and Family Support	\$	89,490,877
Payments to States for the Child Care and Development Block Grant	\$	1,985,570,558
Prevention and Wellness Fund	\$	-
Program Management	\$	-
Public Health and Social Services Emergency Fund	\$	-
TOTAL	\$	29,750,246,274

Create and Save Education Jobs and Pave the Way for Education Reforms

In the next 100 days, the *Recovery Act* will fund 135,000 education jobs including teachers, principals and support staff. *Recovery Act* funding, combined with the responsibilities of the states, “will help keep outstanding teachers in America’s schools, arm educators with the tools and data needed to determine what does and doesn’t work in our nation’s classrooms, align curricula and assessments with rigorous standards that prepare young people for college and careers, and transform our lowest-performing schools.” [White House, 6/2009]

In addition, the Department of Education has recently approved additional states for their first tranche of State Fiscal Stabilization Funds **to improve education programs and save education-related jobs**. To date, the following states have received their stabilization funds: Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Puerto Rico, Rhode Island, South Dakota, Tennessee, Utah, Virginia and Washington. They will be eligible to apply for millions more in the fall. [DoEd, accessed 6/20/2009]

The following is a summary of *Recovery Act* obligations announced by the Education Department to date:

Compensatory Education for the Disadvantaged	\$ 4,950,000,000
Higher Education	\$ -
Impact Aid	\$ 39,598,712
Innovation and Improvement	\$ -
Institute of Education Sciences	\$ -
Rehabilitation Services and Disability Research	\$ 321,352,546
School Improvement Programs	\$ 69,230,000
Special Education	\$ 6,063,460,025
State Fiscal Stabilization Fund	\$ 24,571,399,374
Student Aid Administration	\$ -
Student Financial Assistance	\$ 8,169,418,212
TOTAL	\$ 44,184,458,869

[OMB, 6/16/2009]

Create and Save Jobs and Care for Our Nation’s Veterans

In the next 100 days, the *Recovery Act* will also enable improvements at 90 veterans’ medical centers across 38 states. *Recovery Act* funding will “modernize and replace existing care facilities and infrastructure systems at VA medical centers across the country. This includes projects like patient privacy upgrades, utility system updates, and improvements related to increasing the quality of our veterans’ overall health care.” [White House, 6/2009]

The following is a summary of *Recovery Act* obligations announced by the VA to date:

Compensation and Pensions	\$ -
General Operating Expenses	\$ 3,079,068
Grants for Construction of State Extended Care Facilities	\$ -
Information Technology Systems	\$ -
Medical Facilities	\$ 27,895,248
National Cemetery Administration	\$ 433,195
TOTAL	\$ 31,407,511

Create and Save Law Enforcement Jobs and Keep Our Neighborhoods Safe and Secure

In the next 100 days, the *Recovery Act* will help to hire or keep on the job approximately 5,000 law enforcement officers. The COPS Hiring Recovery Program will “provide 100 percent funding for approved entry-level salaries and benefits for 3 years (36 months) for newly-hired, full-time sworn officer positions (including filling existing unfunded vacancies) or for rehired officers who have been laid off, or are scheduled to be laid off at a future date, as a result of local budget cuts.” This funding will support activity in every state. [White House, 6/2009]

In addition:

- The Office of Justice Programs has awarded \$1.62 billion in Recovery Act Byrne/JAG grants (\$1.2 billion for 53 awards to states and \$243,045,443 for 671 awards to localities). The JAG Program, administered by OJP’s Bureau of Justice Assistance, allows states and local governments to support a broad range of activities to prevent and control crime and improve the criminal justice system. The procedure for allocating JAG grants is based on a formula of population and violent crime statistics, in combination with a minimum allocation to ensure that each state and territory receives an appropriate share of funding. Sixty percent of the allocation is awarded to the state and 40 percent is set aside for units of local governments. [DOJ, as of 6/22/2009]
- The Office of Victims of Crime has awarded \$95 million under the Recovery Act Victims of Crime Act Formula Grant Program to support the provision of crucial financial assistance to victims of crime (\$47.5 million for Victim Compensation Formula Grant Program and \$47.5 million for Victim Assistance Formula Grant Program). [DOJ, as of 6/22/2009]
- The Internet Crimes Against Children Task Force Program, a national network of 59 coordinated task forces, has awarded \$41.5 million in Recovery Act funds. The program helps state and local law enforcement agencies develop an effective response to cyber enticement and child pornography cases. This help encompasses forensic and investigative components, training and technical assistance, victim services, and community education. [DOJ, as of 6/22/2009]
- The Office on Violence Against Women awarded \$125,897,371 million in Recovery Act funds. This includes \$122,069,246 million in STOP Formula Grant to States, which promotes a coordinated, multidisciplinary approach to enhancing advocacy and improving the criminal justice system’s response to violent crimes against women; and \$3,828,125 million to State Domestic Violence Coalitions and State Sexual Assault Coalitions. [DOJ, as of 6/22/2009]

The following is a summary of *Recovery Act* obligations announced by DOJ to date:

Community Oriented Policing Services	\$	425,084
Salaries and Expenses	\$	1,150,160
State and Local Law Enforcement Assistance	\$	1,548,034,705
Violence against women prevention and prosecution	\$	126,360,642
TOTAL	\$	1,675,970,591

[OMB, 6/16/2009]

Create and Save Jobs in Rural America

In the next 100 days, the *Recovery Act* will start 200 new waste and water systems in Rural America. *Recovery Act* funds will “build drinking water, sanitary sewer, solid waste and storm drainage facilities in rural communities of 10,000 or fewer people ...The infrastructure enhancements will significantly improve the health and quality of life for millions of Americans who live outside of our major urban centers.” [White House, 6/2009]

In addition, the Department of Agriculture has recently:

- Announced that nearly \$143 million in water and environmental projects will be used to help provide safe drinking water and improve wastewater treatment systems for rural towns and communities in 21 states. [USDA, 5/28/2009]
- Announced \$224 million for 110 hazardous fuels reduction and ecosystem improvement projects. The projects are located on forested lands in over 26 states and territories. [USDA, 5/19/2009]

The following is a summary of *Recovery Act* obligations announced by USDA to date:

Agriculture Buildings and Facilities and Rental Payments	\$	-
Agriculture Disaster Assistance Transition	\$	-
Aquaculture Assistance	\$	-
Capital Improvement and Maintenance	\$	47,344,997
Commodity Assistance Program	\$	125,000,000
Distance Learning, Telemedicine, and Broadband Program	\$	-
Food Stamp Program	\$	2,351,388,315
Rural Business Program Account	\$	-
Rural Community Facilities Program Account	\$	5,226,026
Rural Housing Insurance Fund Program Account	\$	63,790,001
Rural Water and Waste Disposal Program Account	\$	264,451,761
Salaries and Expenses	\$	2,229,467
Salaries and Expenses	\$	2,479,620
Special Supplemental Nutrition Program for Women, Infants, and Children	\$	38,175,022
State Child Nutrition Programs	\$	99,979,820
Trade Adjustment Assistance for Farmers	\$	-
Credit Insurance Fund Direct Loan Financing Account	\$	20,412,189
Watershed and Flood Prevention Operations	\$	13,557,945
Watershed Rehabilitation Program	\$	2,744,834
Wildland Fire Management	\$	29,538,264
TOTAL	\$	3,066,318,261

[OMB, 6/16/2009]

Create and Save Jobs and Preserve Our National Parks

In the next 100 days, the *Recovery Act* will enable us to invest \$750 million on nearly 800 projects at 107 National Parks. According to the White House, these projects will “preserve and protect national icons and historic landscapes, improve energy efficiency and renewable energy use, and remediate abandoned mines. These projects will fall under six basic types of activities: construction, deferred maintenance, energy efficient equipment replacement, trails, abandoned mines, and road maintenance.” [White House, 6/2009]

In addition, the Department of Interior has recently:

- Announced that the Bureau of Reclamation will invest \$1 billion in America’s water infrastructure to create jobs. [DOI, accessed 6/20/2009]
- Announced that the Fish and Wildlife Service will invest \$280 million on more than 830 projects on deferred maintenance, energy efficiency, and capital improvement projects at U.S. Fish and Wildlife Service facilities. [DOI, accessed 6/20/2009]
- Announced that the Bureau of Land Management will invest \$305 million to fund more than 650 projects to restore landscapes and habitat, spur renewable energy development on public lands, and create jobs. [DOI, accessed 6/20/2009]

The following is a summary of *Recovery Act* obligations announced by Interior to date:

Central Utah Project Completion Account	\$	7,785,000
Construction	\$	34,665
Construction (RA)	\$	61,374,944
Construction and Major Maintenance	\$	2,767,991
Historic Preservation Fund		
Indian Guaranteed Loan Program Account	\$	160,000
Management of Lands and Resources	\$	17,848
Operation of Indian Programs	\$	318,702
Operation of the National Park System	\$	1,883,244
Resource Management	\$	2,804,684
Surveys, Investigations, and Research	\$	11,076,266
Surveys, Investigations, and Research (RA)	\$	24,257
Water and Related Resources	\$	668,683
Wildland Fire Management	\$	-
TOTAL	\$	88,916,284

[OMB, 6/16/2009]

Create and Save Environmental Jobs and Protect Our Health and Environment

In the next 100 days, the *Recovery Act* will enable the start or acceleration of clean up work at 20 superfund sites from the national priority list. “Superfund cleanups are major construction projects that employ thousands of workers across the nation. The impact of these projects will

be significant in terms of job creation, acceleration of existing projects, investment in new projects, faster return of sites to productive use and potential acceleration of "green remediation" technology." [White House, 6/2009]

In addition, the Environmental Protection Agency has recently:

- Announced that 252 communities will receive \$112 million in brownfield redevelopment grants. These grants, going to communities in 46 states, four tribal nations, and two territories, will help assess and clean up contaminated sites and restore them to environmental and economic health. [EPA, 5/12/2009]
- Awarded \$76 million to 44 states for clean diesel grants which can help fund diesel emissions reduction projects, such as retrofitting projects on school bus fleets and public ports. [EPA, 4/17/2009]

The following is a summary of *Recovery Act* obligations announced by EPA to date:

Environmental Program and Management	\$	3,649,149
Hazardous Substance Superfund	\$	367,989,618
State and Tribal Assistance Grants	\$	4,030,363,914
TOTAL	\$	4,402,002,682

[OMB, 6/16/2009]

Create and Save Summer Youth Jobs and Empower Our Young People

In the next 100 days, the *Recovery Act* will create 125,000 summer youth jobs. "Empowering our young people through meaningful summer employment will keep them off the streets and provide them with valuable work experience. Along the way, they will develop critical work habits and skills that will pay dividends throughout their adult lives." [White House, 6/2009]

In addition, the Department of Labor has recently:

- Certified for release millions of *Recovery Act* unemployment insurance modernization incentive funds to Georgia, Idaho, Iowa, Nevada, Ohio, Oregon, Vermont, and Washington DC. These states qualified for these funds by allowing workers to use their more recent earnings to qualify for benefits. [DOL, accessed 6/20/2009]
- Announced a \$4.8 million *Recovery Act* grant to assist approximately 1,109 workers in Minnesota affected by layoffs at five companies in the manufacturing and retail industries. [DOL, 6/12/2009]
- Awarded approximately \$114 million in *Recovery Act* funding to 183 community groups to provide education and training to young people across the United States. Participants in YouthBuild programs include individuals who have been in the juvenile justice system, youth aging out of foster care, high school dropouts and others. In addition to receiving academic and occupational skills training, these young people develop leadership skills and participate in community service opportunities. [DOL, 6/12/2009]
- Released more than \$450 million in *Recovery Act* funds for Trade Adjustment Assistance to states to provide career training, employment, and case management

services to workers who lose their jobs due to outsourcing and foreign trade. [DOL, 6/10/2009]

- Announced a \$1,416,970 grant to the Oregon Department of Community Colleges and Workforce Development. This grant will assist approximately 200 workers in Oregon affected by layoffs at Boise Cascade LLC in St. Helens related to the permanent ceasing of pulp production at the plant and a significant reduction in paper production capacity.

The following is a summary of *Recovery Act* obligations announced by DOL to date:

Community Service Employment for Older Americans	\$ 118,800,000
Federal Addtl Unemployment Compensation Program	\$ 2,870,253,527
Office of Job Corps	\$ 82,040,911
Payments to the Unemployment Trust Fund	\$ 11,516,000,000
Program Administration	\$ 551,769
Salaries and Expenses	\$ 2,240,868
Salaries and Expenses, Recovery Act	\$ 818
State Unemployment Insurance and Employment Service Operations	\$ 396,000,000
Training and Employment Services	\$ 412,197
Training and Employment Services	\$ 2,945,095,082
Unemployment Trust Fund	\$ 2,105,771,143
TOTAL	\$ 20,037,166,315

[OMB, 6/16/2009]

Create and Save Jobs and Support Our Soldiers

In the next 100 days, the *Recovery Act* will initiate 2,300 construction and rehabilitation projects at 359 military facilities across the nation. *Recovery Act* projects will make “building safety improvements, repair and improve personnel living quarters, and begin solar energy projects at over 350 military installations throughout the country to provide housing, medical care, and family support facilities worthy of their commitment to our nation’s security and way of life.” [White House, 6/2009] This funding will support activities in every state. [White House, 6/2009]

The following is a summary of *Recovery Act* obligations announced by DoD as of June 16, 2009:

Defense Health Program	\$ 6,320,953
Family Housing Construction, Air Force	
Family Housing Construction, Army	
Family Housing Operation and Maintenance, Air Force	\$ 2,593,146
Family Housing Operation and Maintenance, Army	\$ 582,985
Homeowners Assistance Fund	\$ 3,179,248
Military Construction, Air Force	
Military Construction, Air National Guard	\$ 653,390
Military Construction, Army	\$ 31,703,891
Military Construction, Army National Guard	\$ 2,489,300

Military Construction, Defense-wide	\$	731,949
Military Construction, Navy	\$	2,938,151
Operation and Maintenance, Air Force	\$	391,933,697
Operation and Maintenance, Air Force Reserve	\$	1,315,808
Operation and Maintenance, Air National Guard	\$	6,444,159
Operation and Maintenance, Army - Recovery Act	\$	74,102,818
Operation and Maintenance, Army National Guard	\$	59,904,990
Operation and Maintenance, Army Reserve	\$	12,600,875
Operation and Maintenance, Army Reserve	\$	896,113
Operation and Maintenance, Marine Corps	\$	5,832,835
Operation and Maintenance, Marine Corps Reserve	\$	5,105,264
Operation and Maintenance, Navy	\$	93,741,197
Operation and Maintenance, Navy Reserve	\$	5,162,749
Research, Development, Test, and Evaluation, Air Force	\$	9,370,149
Research, Development, Test, and Evaluation, Army		
Research, Development, Test, and Evaluation, Defense-wide		
Research, Development, Test, and Evaluation, Navy	\$	14,473,574
TOTAL	\$	732,077,241

[OMB, 6/16/2009]

Additional *Recovery Act* Funding to Create and Save Jobs

The **Department of Treasury** has:

- Announced \$135 million more in *Recovery Act* funds to provide affordable housing in Iowa, Maine, New Hampshire, Rhode Island, and Washington. These states have elected to exchange a portion of their unutilized allocation of low-income housing tax credits (LIHTCs) for direct cash assistance, which will then be provided to developers in support of affordable housing. LIHTC projects around the nation have experienced financial problems getting to the finish line but these critical funds will provide a much-needed final push to get people home. [Treasury, 6/4/2009]
- Awarded \$1.5 billion in New Markets Tax Credits to 32 organizations to encourage private sector investments. With resources made possible through the *Recovery Act*, the NMTC Program injects private-sector capital investment into communities around the country to create jobs, stimulate economic growth, and jumpstart the lending necessary for financial stability. [Treasury, 5/27/2009]
- Issued guidance on the new Build America Bond program. This program allows state and local governments to issue taxable bonds for capital projects and to receive a new direct federal subsidy payment from the Treasury Department for a portion of their borrowing costs. [Treasury, 4/9/2009]

The following is a summary of *Recovery Act* obligations announced by Treasury to date:

Administrative Expenses, Recovery Act	\$	14,317,057
Community Development Financial Institution Fund Program	\$	-

Grants for Specified Energy Property in Lieu of Tax Credits	\$ -
Grants to States for Low-Income Housing Projects	\$ 473,124,065
Health Insurance Tax Credit Administration	\$ 20,040,000
TOTAL:	\$ 507,481,122

[OMB, 6/16/2009]

The **Department of Housing and Urban Development** has announced:

- \$3.6 billion in *Recovery Act* funding available for competition, which will fund public and Native American housing, energy efficiency retrofits, and neighborhood stabilization. [HUD, 6/9/2009]
- \$5 billion in *Recovery Act* funding available for spending via formula grants, meaning grantees have access to this money currently and are putting it to work in communities across America to create jobs and boost our economy. [HUD, 6/9/2009]
- \$252 million in *Recovery Act* funds to improve housing and spur economic development in Indian Country. The grants will be awarded competitively from the Native American Housing Block Grant and the Indian Community Development Block Grant. [HUD, 5/27/2009]
- \$250 million in *Recovery Act* funding to promote energy efficient and green retrofits in multi-family housing. These grants and loans are intended to create “green collar jobs” and reduce energy costs. [HUD, 5/14/2009]

The following is a summary of *Recovery Act* obligations announced by HUD to date:

Administration, Operations, and Management	\$ 2,310,483
Assisted Housing Stability and Energy and Green Retrofit Investments	\$ -
Community Development Fund	\$ -
Home Investment Partnership Program	\$ -
Homelessness Prevention Fund	\$ -
Housing Personnel Compensation and Benefits	\$ -
Lead Hazard Reduction	\$ 99,500,000
Native American Housing Block Grant	\$ 245,438,851
Personnel Compensation and Benefits - Community Planning and Development	\$ -
Personnel Compensation and Benefits - Office of Lead Hazard Control and Healthy Homes	\$ -
Personnel Compensation and Benefits - Office of Public and Indian Housing	\$ -
Project-Based Rental Assistance	\$ 1,745,872,847
Public Housing Capital Fund	\$ 2,982,289,837
Working Capital Fund	\$ 3,697,100
TOTAL	\$ 5,079,109,118

[OMB, 6/16/2009]

The **Department of Energy** has recently:

- Announced that \$467 million in *Recovery Act* funding will be used to expand and accelerate the development, deployment, and use of geothermal and solar energy throughout the United States. This funding represents a substantial down payment that will help the solar and geothermal industries overcome technical barriers, demonstrate new technologies, and provide support for clean energy jobs for years to come. [DOE, 5/27/2009]
- Announced \$453 million in *Recovery Act* funding to 15 additional states. Those funds will help these states achieve their goal of weatherizing more than 165,000 homes, lowering energy costs for low-income families in need, reducing greenhouse gas emissions, and creating green jobs across the country. [DOE, 6/18/2009]
- Announced that \$2.4 billion in *Recovery Act* funding will be used to expand and accelerate the commercial deployment of carbon capture and storage technology. [DOE, 5/15/2009]
- Reached an agreement with the FutureGen Alliance to provide \$1 billion in *Recovery Act* funding to advance construction of the first commercial scale, fully integrated, carbon capture and sequestration project in the country. This project paves way for the first U.S. commercial scale carbon capture and storage project. [DOE, 6/12/2009]
- Announced that more than \$300 million worth of investments that will boost a range of clean energy technologies, including carbon capture from coal, solar power, and high-efficiency cars and trucks. [DOE, 6/12/2009]
- Announced that nearly \$50 million to advance commercial deployment of the renewable heating and cooling systems, which use energy from below the Earth's surface to move heat either into or away from the home or building. The expanded manufacturing and installation of GHPs could aid in the creation of new jobs while reducing the use of fossil fuels. [DOE, 6/2/2009]
- Announced plans to provide \$256 million in *Recovery Act* funding to support energy efficiency improvements in major industrial sectors across the American economy. The funding is targeted at reducing the energy consumption of America's manufacturing and information technology (IT) industries, while creating jobs and stimulating economic growth. These programs will help create manufacturing jobs quickly, along with jobs for technicians and experts who will be needed in the long-term to maintain and operate the new equipment. [DOE, 6/1/2009]
- The allocation of nearly \$80 million in *Recovery Act* funding for expansions of state weatherization assistance programs was released to Arizona, Kansas, Mississippi, and Oregon on June 8, 2009. On June 18, 2009, an additional \$453 million in weatherization assistance funding was released to 15 states. These funds will help states achieve their goal of weatherizing more than 165,000 homes, lowering energy costs for low-income families that need it, reducing greenhouse gas emissions, and creating green jobs across the country. [DOE, 6/8/2009] ; [DOE, 6/18/2009]

The following is a summary of *Recovery Act* obligations announced by DOE to date:

Production and Distribution Program Fund	\$	-
Science and Research Activities, Recovery Act Reimbursable Work for Other Federal Agencies	\$	-
7 Innovative Technology Loan Guarantee Program	\$	134,649
Bonneville Power Administration Fund	\$	-
Action, Rehabilitation, Operation and Maintenance, Western	\$	742,705
Technology Vehicles Manufacturing Loan Program	\$	2,498,559
Defense Environmental Cleanup	\$	2,524,506,536
Efficiency and Renewable Energy	\$	-
Electricity Delivery and Energy Reliability	\$	16,110,973
Energy Efficiency and Renewable Energy	\$	860,621,325
Energy Transformation Acceleration Fund	\$	47,629
Fossil Energy Research and Development	\$	223,690
Non-defense Environmental Cleanup	\$	256,892,376
Science	\$	574,887,916
Title 17 Innovative Technology Direct Loan Financing Account,	\$	-
Title 17 Innovative Technology Guaranteed Loan Financing Account	\$	-
Uranium Enrichment Decontamination and Decommissioning Fund	\$	111,566,497
Western Area Power Administration, Borrowing Authority	\$	-
TOTAL	\$	348,232,855

[OMB, 6/16/2009]

The **Department of Commerce** has recently announced millions in *Recovery Act* grants through the Economic Development Agencies that will create jobs and boost development in:

- Levelland, Texas, to provide infrastructure improvements needed to expand the Industrial Rail Park;
- Houma, Louisiana, to help extend waste water lines to companies along Dickson Road in the Woodlawn Industrial Park and the Port of Terrebonne;
- Gadsden, Alabama, to construct water and sewage system infrastructure along Airport Road that will support new businesses' development;
- Mount Vernon/Rockcastle, Kentucky, to fund construction of water, sewer, and electrical infrastructure;
- St. James Parish government in Convent/Saint James, Louisiana, to expand the water treatment capacity of the East Bank Water Treatment Plant in St James Parish;
- Elk City, Oklahoma, for improvements to storm drainage and substandard streets at Elk City's industrial park; and
- Montana for creation of a Revolving Loan Fund for the timber and wood products in the state.

[DOC, accessed 6/20/2009]

On June 12, the nation concluded its transition from analog to digital television. The Commerce Department's National Telecommunications and Information Administration will continue providing consumer assistance after the transition to help Americans who are at risk of losing their TV signals. TV converter box coupons will be available to consumers who apply until July

31, while supplies last. As of June 19, NTIA's TV Converter Box Coupon Program has accepted requests for 12,541,515 coupons with a value of \$501,660,600 and has reimbursed retailers for 3,851,983 coupons with a value of \$154,057,915 using *Recovery Act* funds. [DOC, as of 6/19/2009]

The following is a summary of *Recovery Act* obligations and outlays by DOC to date:

Program	Appropriation	Cumulative Obligations	Cumulative Gross Outlays
NTIA DTV Converter Box Coupons	\$ 650,000,000	\$449,243,055	\$175,554,326
NTIA Broadband	4,700,000,000	65,035,208	63,446,901
Census Decennial	1,000,000,000	1,911,560	1,784,736
NOAA	830,000,000	13,389,427	251,869
NIST	610,000,000	105,393	39,540
EDA	150,000,000	12,543,086	0
TOTAL	\$7,940,000,000	\$ 542,227,729	\$ 241,077,372

[DOC ARRA Cumulative Financial Report as of June 19, 2009]

The **Small Business Administration** has launched a special, temporary loan program known as the ARC ("America's Recovery Capital") Loan Program. ARC loans are authorized by the *Recovery Act* to help viable small businesses make payments on existing small business debt. [SBA, 5/18/2009]

The following is a summary of *Recovery Act* obligations announced by SBA to date:

Business Loan and Investment Direct Loan Financing Account -	\$	-
Business Loans Program Account	\$	97,073,166
Salaries and Expenses	\$	436,218
Surety Bond Guarantees Revolving Fund	\$	-
TOTAL	\$	97,509,384

[OMB, 6/16/2009]

Tab 3

Accomplishments

Democratic Accomplishments in the 111th Congress: Honoring the American People's Call for Change

In just the first six months of the 111th Congress, we have worked hand in hand with the Obama Administration to advance a bold agenda that rebuilds and reinvests in America. And so far, the news is good: Congress has had one of the most productive starts in years and Americans are feeling more confident about the direction in which our country is heading.

Despite the many troubles inherited from the Bush Administration – a severe economic recession, skyrocketing costs for basic needs, cynicism about government, loss of respect around the world, and wars in Iraq and Afghanistan – Americans believe in our nation's ability to solve our challenges and get moving in the right direction again. Senate Democrats couldn't agree more.

Already, the 111th Congress has **enacted laws** to:

- ✓ Stabilize the economy and support 3.5 million jobs
- ✓ Protect workers from pay discrimination
- ✓ Provide health care for children in need
- ✓ Combat mortgage and financial fraud
- ✓ Strengthen the housing market and prevent unnecessary foreclosures
- ✓ Reform military procurement to protect taxpayer dollars
- ✓ Invest in health care, energy, and education
- ✓ Protect the American wilderness
- ✓ Expand national service
- ✓ Strengthen oversight of TARP
- ✓ Protect consumers from abusive credit card practices
- ✓ Provide for additional resources for troops and veterans and flu preparedness

Moreover, with the passage of the *Budget Resolution*, we have laid the ground work for health care reform, middle-class tax relief, educational and workforce investments, and energy independence – all essential components of a healthy and strong economy.

Sadly, Senate Republican obstructionism prevented passage of the *Travel Promotion Act*, which would have created tens of thousands of jobs, benefited every state, and, according to the Congressional Budget Office, reduced the deficit by more than \$400 million.

As we move forward in the 111th Congress, the American people can count on Senate Democrats to continue to work to advance their priorities – beginning with reforming the nation's health care system, move the economy from recession to recovery, and get our nation back on the path to prosperity.

Democrats are Working to Strengthen the Economy and Reinvest in America

Senate Democrats passed an economic recovery package that will get the American economy working again. Over the last eight years, life for millions of American families has grown less affordable and less secure. Americans have suffered from lower wages, fewer jobs, declining home values, foreclosures, and skyrocketing costs for basic necessities like gas, health care, and college tuition. Years of misguided fiscal policies and irresponsible regulatory failures

have contributed to a financial meltdown that is crippling the national and global economy and threatening the American Dream for people throughout the country. Never before has the need for a strong economic recovery package been as urgent or as clear.

On February 13, 2009, by a supermajority vote of 60, the Senate sent the *American Recovery and Reinvestment Act of 2009 (H.R. 1)* to President Obama for signature. This urgently-needed legislation will create new jobs and save those that may be lost; cut taxes for the middle class; and invest in America's future. This legislation will also provide transparency and accountability to guarantee that all taxpayer money is invested responsibly.

Specifically, the economic recovery legislation will create and maintain jobs through targeted funding of infrastructure, renewable energy and other job-intensive projects, increased nutrition assistance, and broad-based tax relief. The legislation provides incentives for businesses to create and retain jobs, particularly in the green energy sector; aid to states in fiscal crisis; help with health care for workers and struggling families; job-creating investments in health care; and expanded unemployment benefits.

The bill was signed into law on February 17 (**P.L. 111-5**).

ADDITIONAL RESOURCES: DPC released several documents related to the *American Recovery and Reinvestment Act of 2009*, including [The Recovery Act: A Report on Our Path to Progress](#); [The Recovery Act: A Report on the Path to Progress in the States \(State-by-State Fact Sheets\)](#); [Energy, Environmental, and Consumer Benefits of the American Recovery and Reinvestment Act](#); [Making Work Pay: Relief For America's Working Families \(State-by-State Fact Sheets\)](#); [The American Recovery and Reinvestment Act of 2009: Creating Jobs, Investing in Our Country's Future, and Cutting Taxes--Final \(State-by-State Fact Sheets\)](#); [Democrats are Investing in America's Future: Education](#); [Democrats are Investing in America's Future: Health Care](#); [American Recovery and Reinvestment Act of 2009 Implementation and Accountability Resources](#); and [Democrats are Providing Urgently Needed Tax Relief for Middle-Class Families](#); [The American Recovery and Reinvestment Act of 2009 Takes Steps to Stabilize the Housing Market](#).

See also the [Senate Committee on Appropriations](#) and the [Senate Committee on Finance](#) summaries of the final bill.

Congress passed legislation to stabilize the housing market for homeowners, renters, and lenders. As Democrats work to get the economy working again by making long-term investments, creating jobs, providing middle-class tax relief, we have not forgotten the origin of the current recession: the crash of the home mortgage market.

According to RealtyTrac, more than 2.3 million U.S. properties faced foreclosure in 2008, an 81 percent increase from 2007. This was added to the 1.3 million properties that faced foreclosure in 2007, a 75 percent increase from 2006. It is estimated that 1.2 million of the foreclosures in 2008 were on residential properties. And while Democrats believe we can lower this number through aggressive homeowner assistance programs, early forecasts project that overall foreclosures could rise by 2.4 million in 2009 and by 8 million (1 in 9 households) over the next five years as adjustable rate loans continue to adjust higher and Americans grapple with job loss and rising unemployment.

Moreover, while the result of years of abuse by the mortgage lending industry, excessive risk taking by investors, lax regulation under the Bush Administration, lack of affordable housing, and poor choices by some homeowners, the housing crisis is a concern for every American. It is estimated that by the end of 2009, more than 40 million homeowners will have experienced a decline in their home values due to surrounding foreclosures, at a total cost of \$325 billion. Cities and towns across America have experienced business closings, increased crime, increased costs, and an undermined tax base due to the inability of homeowners to make mortgage payments and the eventual abandonment of homes in their neighborhoods. Thus, stabilizing the housing market is not an option; it must be a cornerstone of any plan for economic recovery.

Building upon legislation passed in the 110th Congress, the *Omnibus Appropriations Act, 2009*, the *American Recovery and Reinvestment Act of 2009*, and President Obama's "Making Home Affordable" program, on March 19, 2009, the 111th Congress passed the *Helping Families Save Their Homes Act (S. 896)* to prevent unnecessary foreclosures, improve access to affordable home loans, increase the availability of credit, protect renters, and prevent homelessness. President Obama signed this legislation into law on May 20, 2009 (**P.L. 111-22**).

The new law will:

- ✓ Encourage participation in the HOPE for Homeowners program, including by offering new incentives for lenders to negotiate loan modifications with borrowers at risk of foreclosure the program and reducing fees for homeowners and lenders that have previously discouraged them from participating;
- ✓ Give FHA and USDA's Rural Housing Service (RHS) the flexibility needed to modify loans consistent with the Obama Administration's loan modification program;
- ✓ Protect lenders from frivolous lawsuits when they make loan modifications consistent with the President's program or done through the Hope for Homeowners program;
- ✓ Increase funding for foreclosure prevention including counseling, additional fair housing employees, and education programs to warn American about foreclosure scams;
- ✓ Strengthen tools to ensure that predatory lenders cannot act as lenders or servicers in the FHA programs';
- ✓ Establish the right of a homeowner to know who owns their mortgage;
- ✓ Provide renters who live in foreclosed properties with at least a 90-day notice for eviction;
- ✓ Protect the bank deposits and savings of consumers with a four-year extension of the increase in deposit insurance to \$250,000;
- ✓ Increase the borrowing authority of the Federal Deposit Insurance Corporation (FDIC) to reduce the financial burden on small community banks;
- ✓ Provide new resources to respond to the nation's homelessness crisis and prevent additional homelessness; and
- ✓ Expand accountability of financial rescue funds.

ADDITIONAL RESOURCES: DPC released a related Fact Sheet entitled, Democrats are Making Urgently Needed Investments in Housing and Community Development.

Congressional Democrats approved a fiscally-responsible budget that addresses the economic crisis that we inherited and lays a new foundation for our nation's economy. On April 29, the Senate approved the Conference Report to the *Fiscal Year 2010 Budget Resolution (S. Con. Res. 13)*. This budget addresses the fiscal and economic crises that we have inherited and returns the country to a sound fiscal course by cutting the federal budget deficit in half by 2012 and by two-thirds by 2014 – bringing the deficit down to three percent of GDP. The Democratic budget:

- Preserves major priorities in President Obama's budget proposal with strategic investments in energy, education, and health care – investments needed to restore our crumbling economy and put the country in a position to remain globally competitive. The budget:
 - Promotes energy independence, building on the energy initiatives in the economic recovery package (P.L. 111-5) with investments in energy efficiency and clean energy;
 - Makes investments in education and training programs that will help our economic growth and build a highly-skilled workforce to compete in the global marketplace; and
 - Provides for affordable health care by including a deficit-neutral reserve fund for a major health reform initiatives;
- Provides tax relief for the Middle Class, with \$764 billion in tax cuts for individuals and families over the next five years. These cuts include an extension of 2001 and 2003 income tax directed at individuals and families with incomes under \$250,000; and allows for extension of the Making Work Pay tax cut for 95 percent of American workers; and
- Supports our troops and accounts for war costs, matching President Obama's core defense budget and the President's request for additional war costs. The budget also accurately represents costs like the wars in Iraq and Afghanistan.

ADDITIONAL RESOURCES: DPC released several documents related to *2010 Budget Resolution*: The Democratic Budget Invests in America's Future and Focuses on Middle-Class Families; Democrats are Investing in America's Future: Education; Democrats are Investing in America's Future: Health Care; Democrats are Providing Urgently Needed Tax Relief for Middle-Class Families; and Democrats are Making Urgently Needed Investments in Housing and Community Development. See also the Senate Budget Committee.

Congress funded critical federal government programs for Fiscal Year 2009. On March 11, 2009, the *Omnibus Appropriations Act, 2009 (H.R. 1105)* was presented to President Obama for signature into law (**P.L. 111-8**). House and Senate Democrats were able to complete important work blocked by Republicans last year to provide the resources, guidance, and new initiatives for federal government programs in Fiscal Year 2009, at a time when they are so desperately needed. This appropriations measure contained nine bills that are essential

to keeping the federal government working to enhance the health, safety, and economic security of the American people. The *Omnibus* includes critical commitments to:

Ensure our economic security with investments in:

- Job-creating highway projects through the *Department of Transportation*;
- Reemployment and retraining services to millions of unemployed and otherwise vulnerable Americans through the *Department of Labor*;
- Help for struggling homeowners through the *Federal Housing Administration, Housing and Counseling Assistance program*, and the *Neighborhood Reinvestment Corporation*;
- Community and economic development grants to help communities weather and recover from the current economic storm through the *Department of Housing and Urban Development*;
- Increased investments in more energy efficient vehicles and buildings as well as solar, wind, geothermal, and biomass energy sources through the *Department of Energy*; and
- Vigorous enforcement of securities laws to help bolster the integrity of the financial markets through the *Securities and Exchange Commission*.

Ensure educational excellence and competition in the global economy with investments in:

- The Pell Grant program, which helps seven million low- and middle-income families pay for college and vocational training through the *Department of Education*. The *Omnibus* provides \$17.3 billion for the Pell Grant program, an increase of \$3.1 billion above 2008, with a \$5,350 maximum award amount. These funds will assist seven million students with the costs of higher education and will help 1.4 million students attend school with \$1.9 billion in funding for federal supplemental educational opportunity grants, federal work study, Perkins Loans, and the Leveraging Educational Assistance Partnership program;
- Assistance for Students with Disabilities, providing \$11.5 billion for the *Individuals with Disabilities Education Act (IDEA)*, which helps ensure that all children with disabilities have access to a free, appropriate public education;
- Grants for disadvantaged students, with \$14.5 billion, a \$594 million increase, for Title I of the *Elementary and Secondary Education Act*, which provides resources to local school districts to help disadvantaged students succeed academically. The *Omnibus* also provides \$546 million, an increase of \$54 million, for school improvement grants to help turn around struggling schools;
- Head Start, a highly-successful federal-to-local grant program established in 1965, which provides early childhood education and services, including health, nutrition, and social and behavioral development for low-income preschool children and their families. The *Omnibus* provides \$7.1 billion for this proven program, an increase of \$235 million over 2008, to ensure that 900,000 low-income children have access to high quality preschool services; and
- Afterschool programs, providing \$1.1 billion for 21st Century Community Learning Centers to help ensure students have a safe and supervised environment before the school day begins and after it ends. This funding will serve 1.7 million children.

Ensure our health with investments in:

- Lifesaving research into diseases such as Alzheimer's, cancer, and diabetes through the *National Institutes of Health (NIH)*. The *Omnibus* provides \$30.3 billion, \$938 million above Fiscal Year 2008, to the 27 Institutes and Centers at the NIH to fund research into diseases such as cancer, Alzheimer's, and diabetes;
- Health care services to nearly 470,000 uninsured Americans through *Community Health Centers*. The *Omnibus* provides \$2.2 billion for *Community Health Centers*, including migrant health center, and health care centers for the homeless;
- Health Promotion Programs at the *Centers for Disease Control and Prevention (CDC)*. The *Omnibus* provides \$6.7 billion for public health programs that promote health behaviors, prevent disease, investigate health problems and prepare for emerging health threats;
- *High Risk Insurance Pools* to provide affordable health coverage through state-sponsored health insurance plans to those denied coverage, usually because of pre-existing medical conditions. The *Omnibus* includes \$75 million to states for these plans, which insure nearly 200,000 individuals;
- *Outreach to Seniors Eligible for Medicare*, by providing \$45 million, a \$6 million increase above 2008, to help seniors, including the 40 million Americans already enrolled in the program, understand which Medicare benefits are available to them.
- Small, rural hospitals and health care networks for more than 775,000 rural residents in underserved communities through the *Department of Health and Human Services*. The *Omnibus* provides \$289 million to support more than 1,200 small hospitals in rural, underserved communities;
- Training for health professionals, through a \$842 million investment in *Health Professions Training* programs. This funding will help train physicians, nurses, and other medical personnel, to help improve access to critical health care services;
- Cancer screening, with a new \$25 million national program to provide *colorectal cancer screening* and diagnostic follow-up care. The Centers for Disease Control (CDC) estimates that if every American over age 50 were regularly screened, 60 percent of the 55,000 annual deaths from colorectal cancer could be prevented; and
- Combating autism by providing full funding of the *Combating Autism Act* with \$63.4 million for prevention of autism and support for families affected by autism and related disorders.

Ensure our safety with investments in:

- New reforms in place to make children's products safer through the *Consumer Product Safety Commission*;
- Food and medical product safety inspections through the *Food and Drug Administration*;
- Aviation safety and air traffic organization through the *Federal Aviation Administration*;
- Workplace safety standard enhancements and enforcement through the *Occupational Safety and Health Administration*;
- Quarantine stations at ports of entry around the country through the *Centers for Disease Control and Prevention*;
- Agents to ferret out drug producers and traffickers through the *Drug Enforcement Agency*; and
- Intelligence analysts and other professionals fighting crime and terrorism in the United States through the *Federal Bureau of Investigation*.

Ensure global health and our national security with investments in:

- Critical diplomatic operations, including funding 500 additional positions to fill vacancies in the Foreign and Civil Service at the *Department of State*;
- Worldwide embassy security protection to ensure that U.S. personnel are safe and secure;
- Lifesaving initiatives for international HIV/AIDS prevention, treatment, and care as well as global programs to fight malaria and tuberculosis, and improve maternal and child health;
- Humanitarian assistance to help displaced people around the world, avert famines, and provide critical assistance during natural disasters; and
- Peacekeeping activities around the world, including in Sudan, Liberia, the Democratic Republic of the Congo, Kosovo, and Lebanon.

ADDITIONAL RESOURCES: DPC released several documents on the *Omnibus Appropriations Act, 2009: H.R. 1105, the Omnibus Appropriations Act of 2009; Democrats Investing in America's Priorities: Renewable Energy, Energy Efficiency, Environmental Protection, Wildlife Conservation, and Green Jobs; Democrats Investing in America's Priorities: Strengthening Our Workforce; Democrats Investing in America's Priorities: Safe and Affordable Housing; and Democrats Investing in America's Priorities: Diplomacy and Foreign Assistance.*

See also the Senate Committee on Appropriations.

Democrats are Working to Support Our Troops and Keep America Safe

Senate Democrats passed a supplemental appropriations bill to meet critical national security needs. On June 18, 2009, the Senate passed the conference report to **H.R. 2346**, the *Supplemental Appropriations Act, 2009*, with a bipartisan vote of 91-5. The report would provide a total of \$105.9 billion for Fiscal Year 2009 to meet the needs of our troops; fund ongoing operations in Iraq, Afghanistan and Pakistan; address threats to the stability in the international monetary system; enhance security along the Southwest border; and bolster pandemic flu preparedness and response. Specifically, when enacted, the legislation will provide funding to:

- **Strengthen our military.** The conference report includes \$79.9 billion in funding for Department of Defense (DoD) operations to ensure that our deployed military forces are provided the most effective weaponry, communications, and protective equipment on the battlefield and to ensure that our returning troops, veterans and military families are provided first-rate care and services. It includes an additional \$2.8 billion to cover identified shortfalls in military personnel accounts, \$4 billion (for a total of \$25 billion) for equipment used by our troops in Iraq and Afghanistan, \$240 million (for a total of \$1.8 billion) for defense health programs and initiatives to support military families, and \$431 million (for a total of \$2.7 billion) for military construction projects.

- **Begin to end the war in Iraq and transition responsibility to the Iraqis.** The conference report supports the President's strategy to reduce the U.S. commitment in Iraq; focus on training and counterterrorism missions; and promote the transition of security and governance responsibility to Iraqis. It includes \$1 billion for the Iraqi Security Force Fund and allocates \$958 million in funding in support of diplomatic operations, economic development programs, and governance initiatives vital to fostering sustainable security and political reconciliation.
- **Support a comprehensive strategy for addressing terrorist threats in Afghanistan and Pakistan.** The conference report provides funding to implement a regional strategy for Afghanistan and Pakistan that incorporates diplomacy, counterinsurgency training, economic development, civilian assistance and government capacity-building initiatives to promote long-term security and stability. It includes \$3.6 billion to expand and improve capabilities of the Afghan security forces; \$400 million to build the counterinsurgency capabilities of the Pakistani security forces; and \$1.4 billion for Afghanistan and \$2.4 billion for Pakistan for critical diplomatic, economic and civilian assistance programs.
- **Bolster pandemic flu response.** The conference report provides \$7.7 billion in funding for pandemic flu response, including \$1.5 billion in Fiscal Year 2009 appropriations and \$5.8 billion in contingent emergency appropriations to expand detection efforts, supplement federal stockpiles, and develop, purchase, and administer vaccines.
- **Mitigate grave threats to global economic stability.** The conference report provides \$5 billion (to a contingency fund) that will be leveraged, along with the contributions of other countries, to enable the International Monetary Fund (the Fund) to increase its lending capacity and respond to grave threats to global economic stability, particularly in developing countries severely impacted by the financial crisis. It also includes provisions to approve needed reforms to the Fund; provide a sound basis for the Fund to pay for its operations; to help ensure that Fund lending conditions do not undermine critical spending for social services in developing countries; and to provide for greater congressional oversight over the Fund.
- **Address the growing violence along the U.S.-Mexico border.** The conference report includes \$420 million, \$354 million above the requested amount, in support of the Government of Mexico's efforts to combat organized crime and drug trafficking along the southwest border of the United States.
- **Ensure oversight and accountability of U.S. efforts in Iraq, Afghanistan and Pakistan.** The conference report provides \$27.5 million, \$20 million above the requested amount, in support of State Department, USAID, and the Special Inspector for Generals for Iraq and Afghanistan (SIGIR and SIGAR) to expand their oversight efforts.
- **Provide vital humanitarian assistance, HIV/AIDs funding, and support for peacekeeping operations.** The conference report includes \$700 million for international food assistance, \$390 million for refugee assistance, and \$270 million for disaster assistance; \$100 million for the Global Fund to fight AIDS, Tuberculosis and Malaria; and \$721 million in support of United Nations peacekeeping operations.

The President is expected to sign this legislation in the coming days.

Democrats are Working to Ensure a Healthy America

Congress strongly supported legislation to protect our children and the public from the harmful effects of tobacco use. Due to the commitment of Senate Democrats and more than ten years of hard work, legislation granting the Food and Drug Administration (FDA) the authority to regulate the manufacture, marketing, and sale of tobacco was signed into law by the President on June 22, 2009 (**P.L. 111-31**). The Senate approved the legislation (H.R. 1256, as amended) on June 11, 2009.

Tobacco use in the United States is killing our citizens, costing us billions of dollars in health care costs, and reducing our economic productivity.

- **More than 43 million Americans are addicted to cigarettes.** Tobacco use kills more than 400,000 Americans each year, and an additional 50,000 non-smokers die prematurely each year due to exposure to secondhand smoke. Americans' health suffers from tobacco use, with 8.6 million Americans currently suffering from a smoking-caused illness.
- **Health care costs for these individuals are staggering,** with \$96 billion in total annual public and private health care expenditures attributable to smoking.
- **Our national economy experiences approximately \$98.6 billion each year in productivity losses** due to cigarette smoking and exposure to tobacco smoke, making the total economic burden of smoking approximately \$192 billion per year.
- **Nearly 90 percent of smokers begin as children** and are addicted by the time they become adults. The tobacco industry refers to our children as "replacement smokers," and each day, more than 3,500 children try smoking for the first time, and more than 1,000 children become regular, daily smokers. The tobacco industry has no economic incentive to reduce smoking by children, because youth smoking generates approximately \$2 billion in revenue for tobacco manufacturers annually, and these child smokers replace the adult smokers who are dying as a result of their addiction. Flavors, like fruit or candy, make cigarettes more attractive to children and easier to smoke.

Now that the *Family Smoking Prevention and Tobacco Control Act* has become law, the FDA has the authority to:

- **Regulate tobacco products** through a new chapter in the *Federal Food, Drug, and Cosmetic Act* (FFDCA).
- **Restrict tobacco advertising** to stop marketing practices that target children and mislead the public, and to regulate the sale, distribution, and advertising of cigarettes and smokeless tobacco "consistent with and to the full extent permitted by the First Amendment."
- **Prevent the sale of tobacco products to youth** by limiting tobacco sales to face-to-face transactions, in which the age of the purchaser is verifiable, eliminating self-service displays and vending machine sales of tobacco, except in adult-only facilities.

- **Require stronger warning labels** for all tobacco packages and advertising, with regular updates to ensure a strong impact, and an unambiguous description of the health problems that may result from tobacco use.
- **Prevent misrepresentation by tobacco manufacturers** of the addictiveness of nicotine in their products.
- **Remove hazardous ingredients** to ensure that the inherent risk of using tobacco products is not unnecessarily increased, to help those who are addicted overcome their addiction, and to make tobacco products less toxic to those who are unable or unwilling to quit.
- **Set standards for so-called “reduced risk” products** by requiring manufacturers to submit the products for FDA analysis before making such a marketing claim.
- **Ensure tobacco companies, not American taxpayers, bear the cost of regulation** through a new user fee on tobacco manufacturers and importers, based on their market share.

Senate Democrats persisted for more than ten years to ensure that tobacco, one of the most dangerous products available in the United States, is subject to the same regulation as all other consumer products. This new law, supported by more than 1,000 public health, faith, and other organizations across the country, gives the FDA the legal authority necessary to reduce youth smoking, prevent the sale of tobacco to minors, help current smokers quit, reduce the toxicity of tobacco products, and stop the tobacco industry from misleading the public with their misleading claims about the dangers of using tobacco products.

ADDITIONAL RESOURCES: DPC released a legislative bulletin entitled, [H.R. 1256, the Family Smoking Prevention and Tobacco Control Act of 2009 \(Senate Substitute\)](#) and a fact sheet entitled [Senate Democrats Protect Our Children and the Public from the Harmful Effects of Tobacco Use](#).

Congress overwhelmingly approved critical legislation to renew and expand the Children’s Health Insurance Program (CHIP). For the past twelve years, CHIP has played a crucial role in helping to reduce the rate of uninsured children from lower-income families. The program was set to expire in March 2009. Despite overwhelming bipartisan support for similar legislation passed by the Senate and House in the 110th Congress, President Bush twice vetoed bills to expand the program. After two years of hard work by Democrats to improve and expand health care for children, in February, the 111th Congress passed and the President signed the *Children’s Health Insurance Program Reauthorization Act of 2009 (S. 275)*, a bipartisan bill that authorizes \$32.8 billion in new funding for CHIP to provide quality health care coverage for almost 11 million children. The legislation will allow 6.7 million children to continue to receive health care coverage and extend coverage to 4.1 million children who are currently uninsured. The program has been renewed through Fiscal Year 2013. This legislation provides a new option to states to remove the 5-year waiting period for legal immigrant children and pregnant women, providing those who qualify with immediate access to Medicaid and CHIP.

The CHIP legislation will also:

- Increase and target funding for states facing budget deficits;
- Improve state tools for outreach and enrollment;
- Provide bonus payments to states enrolling the lowest-income children;
- Improve the quality of health care for low-income children;
- Help reduce racial and ethnic disparities in coverage and quality;
- Prioritize children's coverage in CHIP by moving childless adults out of CHIP and prohibiting additional adult coverage in CHIP;
- Improve access to critical benefits such as dental coverage;
- Reduce administrative barriers to enrollment, including the option for states to use an applicant's Social Security Number (SSN) to confirm eligibility for Medicaid or CHIP;
- Improve access to private coverage options through new premium assistance rules; and
- Maintain state flexibility to set eligibility levels for the program based on the cost of living in each state.

On January 29, 2009, the Senate passed the legislation by a vote of 66 to 32. The bill (assigned **H.R. 2**, but with the text of **S. 275**) was agreed to in the House on February 4, 2009. The President signed this legislation into law on February 4, 2009 (**P.L. 111-3**).

ADDITIONAL RESOURCES: DPC released a Legislative Bulletin on [S. 275, the Children's Health Insurance Program Reauthorization Act of 2009](#).

Democrats are Working to Protect American Consumers

Senate Democrats voted to protect millions of Americans from unfair, unjust, and unacceptable credit card industry practices. On May 19, 2009, the Senate approved the *Credit Card Accountability Responsibility and Disclosure Act of 2009* (**H.R. 627**, as amended) (the "CARD act") by a vote of 90-5. This bipartisan legislation will stop credit card companies from misleading their customers with hidden charges and confusing terms. The legislation was signed into law on May 22, 2009 (**P.L. 111-24**). Specifically, the *CARD Act* will:

- **Establish strong consumer protections** by preventing unfair increases in interest rates and changes in terms, prohibiting exorbitant and unnecessary fees, requiring fairness in application and timing of card payments, and protecting the rights of financially-responsible credit card users;
- **Enhance consumer disclosures** by requiring disclosures related to payoff timing, late payment deadlines and penalties, card renewal terms, and requiring each credit issuer to post their credit card agreements;
- **Protect young consumers** targeted by aggressive and irresponsible credit card marketing offers;
- **Strengthen oversight of credit card industry practices** by requiring credit card issuers to post the credit card agreements on the Internet and provide those agreements to the Federal Reserve Board, requiring the Federal Reserve Board to review the

consumer credit card market, including: terms of credit card agreements, practices of credit card issuers and the cost and availability of consumer credit, and increasing penalties for card companies that violate the *Truth in Lending Act* as it applies to credit card costumers;

- **Protect recipients of gift cards by eliminating declining** values and hidden fees in gift cards and requiring that gift cards have a five-year life span.
- **Protect small businesses** by requiring a study on the use of credit cards by small businesses and establishing a Small Business Information Security Task Force to address the information technology security needs of small businesses and help prevent the loss of credit card data; and
- **Promote financial literacy** by requiring comprehensive summary of existing financial literacy programs and development of strategic plan to improve financial literacy education.

By 2007, 73 percent of American families had a credit card, and 60 percent of those families carry a balance. The average balance on those cards was \$7,300 – a 30 percent rise since 2004. (Federal Reserve, [2/2009](#)) Today, Americans owe more than \$950 billion in revolving credit card debt. (Consumers Union, accessed [5/7/2009](#)) And, in spite of the fact that credit card delinquencies are rising, credit card companies have mailed 4.2 billion credit card solicitations in 2008, and have posted huge profits, many the majority of which come directly from interest payments. (Demos, [2008](#); Consumers Union, accessed [5/7/2009](#))

On top of all the financial difficulties American families are facing, credit card companies should not be allowed to abuse American consumers. The *CARD Act* will level the playing field and keep the rules consistent from beginning to end, saving families thousands of dollars a year. Democrats are committed to restoring confidence in our economy by looking out for consumers and keeping credit card companies honest.

Democrats are Working to Advance Justice and Enforce the Laws of the United States

Senate Democrats passed legislation to improve law enforcement's ability to prosecute financial and mortgage fraud. After 9/11, the Bush Administration shifted resources and attention away from the investigation of financial fraud, leaving law enforcement under-manned and under-funded and criminal statutes inadequate to deal with modern financial fraud schemes at a time when corporate and mortgage fraud were on the rise due to lax regulation by the Administration and Republican Congress of the housing and banking industries.

As of a result, thousands of fraud allegations went unexamined and many instances of fraud went unchecked. More than 65,000 suspicious activity reports were filed alleging mortgage fraud in 2008, compared with nearly 4,700 in 2001, nearly 13 times as much. This fraud ultimately contributed to the global economic crisis that is threatening the financial health of our nation and the security of American families today. (Senate Judiciary Committee referencing the U.S. Department of Treasury's Financial Crimes Enforcement Network, available [here](#) and [here](#).)

On May 19, 2009, the Senate passed the *Fraud Enforcement and Recovery Act of 2009* (**S. 386**) to enhance, strengthen, and rebuild the government's ability to investigate and prosecute the increasing instances of mortgage and corporate fraud. President Obama signed this legislation into law on May 20, 2009 (**P.L. 111-21**). Specifically, FERA will:

- Authorize more than \$260 million per year in Fiscal Years 2010 and 2011 to hire hundreds of additional prosecutors, agents, and staff to conduct investigations and prosecutions of financial fraud at the Department of Justice, the FBI, the U.S. Postal Inspection Service, the U.S. Secret Service, the Office of Inspector General for the Housing and Urban Development Department, the Securities Exchange Commission (SEC), and the Office of the Inspector General for the SEC;
- Improve and modernize fraud and money laundering statutes to strengthen prosecutors' ability to combat fraud, including mortgage and securities fraud, by:
 - Updating the definition of "financial institution" in federal fraud statutes to include mortgage lending businesses that are not directly regulated or insured by the federal government (these businesses account for nearly half of residential mortgages);
 - Amending the major fraud statute to protect funds expended under the economic recovery package and the bank bailout;
 - Strengthening the *False Claims Act* to reverse recent court decisions that have made it more difficult to recover funds and impose penalties for proven frauds; and
 - Filling key statutory gaps to account for modern types of fraud and correct misinterpretations of the law in recent court decisions; and
- Establish a commission to investigate the origins of the economic crisis so that we can avoid similar crisis in the future.

Besides the obvious benefits of combating financial crime and protecting taxpayer dollars from waste, fraud, and abuse, FERA also will recover billions of dollars in restitution, fines, and penalties for the government and victims. For every \$1 spent in the DOJ's Criminal Division to prosecute fraud, more than \$20 is recovered. For every \$1 spent in the DOJ's Civil Division to recover health care funds under the *False Claims Act*, more than \$15 is returned to the government. (Department of Justice and the Taxpayers Against Fraud.)

The 111th Congress passed a law to ensure fair pay for all Americans. While the battle for equality and civil rights is far from over, in January 2009, all those who believe in the promise of "equality and justice for all" achieved a major victory when President Obama signed the *Lilly Ledbetter Fair Pay Act of 2009* into law (**P.L. 111-2**). In doing so, Congress and President Obama ended a nearly two-year battle to overturn a Supreme Court decision that made it more difficult for victims of pay discrimination to seek redress and receive justice.

In *Ledbetter v. Goodyear Tire & Rubber Co., Inc.*, the Court ruled that the 180-day statute of limitations on filing a discrimination claim with the Equal Employment Opportunity Commission (EEOC) under Title VII of the *Civil Rights Act of 1964* begins to run when the original discriminatory decision is made and conveyed to the employee, regardless of whether the pay discrimination continues beyond the 180-day period. This ruling reversed a long-standing interpretation, used by nine federal circuits and the EEOC in both Democratic and Republican Administrations, under which the statute of limitations began to run each time an employee received a pay check or other form of compensation reflecting the discrimination.

The *Lilly Ledbetter Fair Pay Act* restored the "pay-check accrual" interpretation to ensure that employees who can prove pay discrimination based on race, color, religion, sex, national origin, age or disability will not be forever barred from seeking redress because they did not learn they

were victims of pay discrimination within six months after the discriminatory decision was first made.

A previous attempt to pass this legislation in the 110th Congress was obstructed by Senate Republicans, but in the 111th Congress, with a larger majority, Senate Democrats were able to pass the bill on a vote of 61 to 30. The House of Representatives passed the bill on a vote of 250 to 177 and the measure became law on January 29.

ADDITIONAL RESOURCES: DPC released a fact sheet entitled [Fair Pay for Women and All Americans is Critical to Our Nation's Economic Recovery](#).

The Senate passed landmark voting rights legislation for the District of Columbia. Since 1801, the year after DC was established as the seat of the national government, its residents have been seeking representation in the House and Senate. On February 26, 2009 the Senate passed **S. 160**, the *District of Columbia House Voting Rights Act of 2009*, a landmark measure to provide the District of Columbia with one voting seat in the House of Representatives and Utah -- the next state in line to receive an additional representative based on the 2000 census -- a fourth seat in the House, which would bring membership in the House from 435 to 437. The bipartisan bill was passed by a margin of 61 to 37. The House of Representatives passed a similar measure earlier this year.

As Congress charts a path to enact this legislation, it is important to remember that the bill reflects Democrats' efforts to ensure democracy for all Americans, including those in the nation's capital, who, at present, do not enjoy the most basic right of citizenship: to choose who governs them.

ADDITIONAL RESOURCES: DPC released a Legislative Bulletin on [S. 160, the District of Columbia House Voting Rights Act of 2009](#).

The Senate, under the leadership of Democrats, took the historic step of formally apologizing for the enslavement and racial segregation of African Americans. In June 2009, the Senate passed a bipartisan, bicameral resolution to apologize for slavery and the Jim Crow Era (**S.Con.Res 26**). Recognizing that a collective apology on behalf of the United States for a collective wrong was appropriate, necessary, and long-overdue, the Senate formally:

- “Acknowledged the fundamental injustice, cruelty, brutality, and inhumanity of slavery and Jim Crow laws;
- Apologized to African-Americans on behalf of the people of the United States, for the wrongs committed against them and their ancestors who suffered under slavery and Jim Crow laws; and
- Expressed its recommitment to the principle that all people are created equal and endowed with inalienable rights to life, liberty, and the pursuit of happiness, and calls on all people of the United States to work toward eliminating racial prejudices, injustices, and discrimination from our society.”

While historic and important, this apology is not unprecedented. For example, in 1988, Congress offered a formal apology for the internment of Japanese Americans held during World War II. Moreover, several states and private corporations have issued apologies for their role in the enslavement and oppression of African Americans, and, in the 110th Congress, the House of Representatives passed a similar slavery apology.

The Senate sponsors of this resolution are currently working with the House to see that this resolution is passed and that the nation can continue on the path toward reconciliation, healing, and putting these dark periods of American history behind us.

The Democratic-led Senate is working to combat illicit methamphetamine production. Continuing work begun in the 110th Congress to curtail methamphetamine abuse, on June 9, 2009, the Senate passed unanimously **S. 256**, the *Combat Methamphetamine Enhancement Act of 2009*, which will enhance regulation requirements for sellers and persons dealing in certain listed chemicals used to produce meth. The bill will require all retail sellers of these products to submit self-certifications of compliance with the *Controlled Substances Act* and create a civil penalty for the negligent failure to do so. The Attorney General will be required to develop and make public a list of all self-certified individuals on the Drug Enforcement Administration's website. The bill will then prohibit distributors from selling meth-producing products to persons not listed.

ADDITIONAL RESOURCES: In the 110th Congress, DPC released a special report entitled, [Senate Democrats are Committed to Combating Methamphetamine Abuse Across the Nation.](#)

Democrats are Working Protect Our Nation's Environment and Natural Resources

On March 30, 2009, President Obama signed into law the *Omnibus Public Land Management Act of 2009 (P.L. 111-11)*. The legislation represents the most significant conservation legislation passed by Congress in 15 years. The legislation designated over two million acres of wilderness; adds over 1,000 miles of Wild and Scenic Rivers; 2,800 miles of National Trails; 330,000 acres of National Conservation Areas; codifies the National Landscape Conservation System; and authorizes the Forest Landscape Conservation Service and measures to improve our oceans, coasts, Great Lakes, and water resources. The following describes some of the provisions in the legislation:

- **Wilderness.** The *Omnibus Public Land Management Act of 2009* designated over two million acres of wilderness surpassing the combined wilderness acreage designated by the 108th, 109th, and 110th Congresses (Congressional Research Service). The designation of the two million plus acres of new wilderness areas spans nine states (West Virginia, Virginia, Oregon, Idaho, New Mexico, Colorado, Michigan, Utah, and California). The designation of wilderness allows Congress to protect our nation's most pristine lands and best wildlife habitats for the current and future generations.
- **Wild and Scenic Rivers.** The *Omnibus Public Land Management Act of 2009* added over 1,000 miles to the National Wild and Scenic Rivers System in seven states (Oregon, Idaho, California, Utah, Arizona, Wyoming, and Massachusetts). Wild and Scenic Rivers are

designated by Congress to preserve free flowing rivers that possess outstandingly remarkable environmental, scenic, and recreational features.

- **National Trails System.** The *Omnibus Public Land Management Act of 2009* added more than 2,800 miles into the National Trails System through the creation of new national trails in New England, the Mid-Atlantic, the Pacific Northwest and the Southwest. The National Trails System is designed to preserve public access to trails so that they can continue to be valuable resources for our country.
- **National Conservation Areas.** The *Omnibus Public Land Management Act of 2009* created more than 330,000 acres of new National Conservation Areas in Utah, New Mexico and Colorado. National Conservation Areas provide important protections from development while also improving those areas recreational opportunities.
- **National Landscape Conservation System.** The *Omnibus Public Land Management Act of 2009* codified the National Landscape Conservation System currently operating administratively within the Department of Interior. In 2000, the Department of Interior administratively established the National Landscape Conservation System so that public awareness of the various natural areas managed by the Department of Interior might be increased. The codification of the National Landscape Conservation System will help ensure that sustained funding will be available for the Department of Interior to protect its most exceptional areas while also keeping environmental protection a high priority at the Department of Interior for years to come.
- **Oceans.** The *Omnibus Public Land Management Act of 2009* will improve our nation's understanding of the oceans, coasts, and the Great Lakes by authorizing coordinated federal research programs that will:
 - Increase our understanding of ocean acidification, a process by which seawater becomes more acidic as the oceans absorb atmospheric carbon dioxide emissions. The acidity of surface seawater has increased by 30 percent since the beginning of the Industrial Revolution-the most dramatic change in ocean chemistry in at least 650,000 years (Discover Magazine);
 - Expand our understanding of oceans, which cover two-thirds of the earth's surface. Only approximately five percent of the ocean floor has been explored, and the potential for identifying new and beneficial scientific information, new drugs, and resources in the oceans remains significant; and
 - Advance the knowledge of coastal and ocean resources and ecosystems that today lack real-time, standardized, and accessible data on key environmental variables like temperature, salinity, sea level, surface currents, and pH. The lack of this data significantly impairs data on the impacts that climate change could have on coastal and ocean ecosystems.

The *Omnibus Public Land Management Act of 2009* also authorizes funding for coastal and estuarine land protection. The pressures from increasing urbanization and pollution threaten these habitats. Conserving these areas will help meet diverse priorities, such as promoting tourism and recreation and supporting fisheries and wildlife that substantially contribute to coastal economies.

ADDITIONAL RESOURCES: DPC released a Fact Sheet entitled [The Bipartisan Environmental Accomplishments of the Omnibus Public Land Management Act of 2009.](#)

Democrats are Demanding Transparency, Accountability, and Ethics in Washington

Senate Democrats passed legislation to curtail waste and inefficiency in the defense acquisition system. In recent years, cost overruns in the Department of Defense (DoD) acquisition system have placed an enormous burden on the defense budget and imposed an unacceptable cost to American taxpayers. According to the Government Accountability Office (GAO), more than half of DoD's major defense acquisition programs (MDAPs) have reported experiencing critical cost growth in excess of 50 percent over the original estimate since 2006. In its latest annual report published in March, the GAO examined DoD's 96 MDAPs and found \$296 billion in cost overruns in Fiscal Year 2009 dollars and an average delay of 22 months. (GAO-09-326-SP, Defense Acquisitions, [March 2009](#)) GAO noted that, "These poor outcomes mean that other critical defense and national priorities may go unfunded and that war fighters may go without the equipment they need to counter the changing threats they face." (GAO-09-543T, Defense Acquisitions, [April 2009](#))

In January testimony, Secretary of Defense Gates identified the acquisition process as "chief" among the institutional challenges facing the Department and called on Congress to help address the "repeated – and unacceptable problems with requirements, schedule, cost, and performance" in the acquisition of defense weapons programs. (Secretary Gates, Testimony before the Senate Armed Services Committee, [1/27/09](#)) Senate Democrats responded with swift action, successfully advancing bipartisan legislation to address these challenges head on.

On May 20, 2009, the Senate unanimously passed the conference report for **S. 454**, the *Weapon Systems Acquisition Reform Act of 2009*. As Chairman **Levin** stated following Senate passage, "DoD acquisition programs fail because the department continues to rely on unreasonable cost and schedule estimates and continues to establish unrealistic performance expectations. Our bill addresses each of these problems, which we expect would lead to billions of dollars in taxpayer savings." On May 22, 2009, President Obama signed the bill into law (**P.L. 111-23**).

Specifically, the *Weapon Systems Acquisition Reform Act of 2009* includes provisions that will:

- Make our troops fighting on the front line the first priority by ensuring that the acquisition process is structured to support the war-fighter.
- Place defense acquisition programs on a sound footing at the outset and catch costly design flaws and technology risks in weapon systems before we start to build them. The bill includes provisions that require sound systems engineering, cost-estimating, and developmental testing early in the program cycle.
- Reduce risk, promote competition and prevent conflicts of interest by instituting better management practices at DoD. The bill includes measures requiring periodic reviews and assessments of critical technologies, increased use of prototypes, and directs DoD to reestablish systems engineering organizations and developmental testing capabilities.

- Provide increased oversight and accountability to ensure that programs are properly managed. The bill establishes an independent cost-estimating office to ensure that budget assumptions underlying acquisition programs are sound.
- Provide DoD with additional tools to hold accountable the worst-performing programs. The bill includes a provision that would establish the presumption that any program that exceeds its original baseline by more than 50 percent will be terminated unless it is certified by the Secretary as essential for national security.

The Senate unanimously approved strengthened supervision of the TARP. On February 4, 2009, the Senate passed the *Special Inspector General for the Troubled Asset Relief Program Act of 2009 (S. 383)* by unanimous consent. This bipartisan legislation expands the authority of and adds the tools needed by the Special Inspector General overseeing the \$700 billion Troubled Asset Relief Program that was created last fall. The legislation was signed into law on April 24, 2009 (**P.L. 111-15**). The new law will, among other things, add authority for the Inspector General to audit programs, function with the same law enforcement authority granted to the Inspectors General of major federal agencies, and cooperate with other Inspectors General.

The Senate unanimously approved legislation to make the federal grants application process more transparent. On March 17, 2009, the Senate unanimously passed the *Federal Financial Assistance Management Improvement Act of 2009 (S. 303)*, a bill to simplify the federal grants process. According to a Government Accountability Office (GAO) study, each year, federal agencies distribute \$400 billion via 1,000 different federal programs, including programs that received funding in the economic recovery package. Unfortunately, until now, each agency used different application processes and reporting and payment systems. Worse, many agencies failed to provide a complete listing of grants on Grants.gov, the most obvious resource for applicants seeking to learn about federal programs.

S. 303 would reauthorize and update the *Federal Financial Assistance Management Improvement Act of 1999 (FFAMIA)* to streamline the federal grants process by requiring the Director of the Office of Management and Budget to establish and maintain a public website that serves as a central point of information and access for federal grant applicants, including grant: 1) announcements; 2) statements of eligibility; 3) application requirements; 4) purposes; 5) federal agency providers; and 6) deadlines for applying and awarding. The legislation also requires the website to accommodate online applications. The measure requires the OMB director to develop a Strategic Plan to identify those programs suitable for common applications and forms and then devise a plan for agency and program coordination. To ensure implementation across the federal government, the bill also requires each agency, not exempted from FFAMIA, to develop a plan that describes how it will carry out its individual responsibilities under the OMB plan.

Democrats are Working to Support Small Business Innovation

Congress approved a program to give entrepreneurs the resources they need to help boost our economy. On March 17, 2009, the Senate passed a bipartisan bill (**H.R.1541**) to temporarily extend the Small Business Administration's Small Business Innovation Research program.

Although small firms employ 41 percent of the nation's high-tech workers and generate 13 to 14 times more patents per employee than large firms, they have received a disproportionately low share of federal R&D dollars. The SBIR program was designed in 1982 to harness the innovative

capacity of America's small businesses to meet the needs of our federal agencies and to help grow small, high-tech firms that, in turn, grow local economies all across the nation. Since then, the SBIR program has generated more than 84,000 patents and millions of jobs. Eleven federal agencies participate in the SBIR program - including the Department of Defense and National Science Foundation - allocating 2.5 percent of their extramural research and development dollars for the program.

This temporary reauthorization, which extends SBIR and other programs through July 31, 2009, gives Congress more time to pass a comprehensive bipartisan bill that will strengthen and improve the SBIR program and provide long-term stability for the program.

The legislation was signed into law on March 20, 2009 (**P.L. 111-10**).

ADDITIONAL RESOURCES: DPC released a Fact Sheet entitled, Senate Democrats are Committee to America's Small Businesses.

Democrats are Working to Improve Opportunities for Service

As Americans face the numerous challenges created by the economic crisis, the need for service to our communities is greater than ever. On March 26, 2009, the Senate approved the *Edward M. Kennedy Serve America Act (H.R. 1388)*. This legislation reauthorizes the *National and Community Service Act of 1990* and the *Domestic Volunteer Service Act of 1973*, and authorizes nearly \$6 billion over five years to expand opportunities for Americans to engage in service throughout their lives. The bill was signed into law on April 21, 2009 (**P.L. 111-13**).

Currently, programs such as Senior Corps, AmeriCorps, and Learn and Serve America, support almost four million Americans in service to more than 70,000 community organizations. These services have had the empowering and inspiring effect of mobilizing an additional 2.2 million volunteers. This army of volunteers has the power to transform and inspire communities across America.

The new law will expand the mission of the Corporation for National and Community Service (the Corporation) and increase the number of national service participants in the AmeriCorps program from 75,000 current members to 250,000 over the next eight years. An analysis of AmeriCorps shows that every \$1 invested produced returns up to nearly \$4 in direct, measurable benefits. By creating the ServeAmerica Corps, the Corporation will be able to target service in four areas in need of increased assistance in low-income communities, including: Clean Energy, Education, Health Futures, and an Opportunity Corps to boost financial literacy.

The *Edward M. Kennedy Serve America Act* renews a spirit of national service and encourages volunteerism in all age groups. An Encore program will also be developed to engage the retiring baby boom generation, which has a multitude of talents to share. A Veterans Service Corps will also be established to support the service of veterans.

Two new programs will be created under the *National and Community Service Act of 1990*, including a Youth Engagement Zone to Strengthen Communities program and a Campus of Service program. The Youth Engagement Zones aim to engage high school students and out-of-school youth in the transformative experience of service through partnerships between community organizations and schools in low-income communities. The Campus of Service

program will support and recognize institutions of higher learning with outstanding service-learning programs and provide funding to support students' pursuit of careers in public service.

The *Edward M. Kennedy Serve America Act* will create a Summer of Service program to enlist middle and high school students in volunteer services at home, including a \$500 education award to be directed to the cost of college. The law will also increase the education award in AmeriCorps to match the Pell Grant award.

ADDITIONAL RESOURCES: DPC released a Legislative Bulletin on [S. 277, the Serve America Act](#).