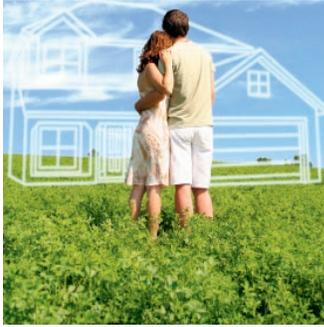


SENATE DEMOCRATS



May Recess 2009

Strengthening the Economy and Investing In Our Nation's Future

JOINTLY PREPARED BY THE SENATE DEMOCRATIC POLICY COMMITTEE
AND THE SENATE DEMOCRATIC COMMUNICATIONS CENTER

Strengthening the Economy and Investing in Our Nation's Future

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The Recovery Act: A Report on Our Path to Progress

Creating and Saving Jobs, Boosting Household Resources, Providing Assistance for the Vulnerable

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 can not only recover but prosper once again.

Because of the strong transparency and accountability provisions that the Congress included in the *Recovery Act*, it is possible to track the early progress the Obama Administration has made in implementing these programs –and it is quite clear the effects of the legislation are already manifesting themselves.

The *Recovery Act* has already had real-life impact on our families, communities, and economy, just three months after its enactment – as stimulus payments are released, tax cuts take effect, and government spending flows into the economy.

We have already seen companies rehiring laid-off workers, construction and renovation of facilities, and the re-starting of environmental remediation activities. In addition, 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. Moreover, early signs of improvement at the macro-economic level, which some refer to as “green shoots,” are beginning to emerge in the housing and credit markets, providing some indication that the bottom of our economic free-fall is near.

Vice President Biden recently issued a first quarterly report on the implementation of the *Recovery Act*. He notes that in the first 77 days of the two-year *Recovery Act* program:

- **150,000** jobs have been created or saved;
- More than **\$88 billion** dollars has been made available for programs and projects;
- Over **3,000** transportation construction projects have been funded in 52 states and territories;
- **Ninety-five percent** of working families have begun seeing the benefits of the Making Work Pay tax credit in their paychecks;
- CORBRA health insurance premiums have been reduced by **65 percent**;
- Unemployment benefits have increased by **\$25 a week**;
- States have drawn down **\$15.7 billion** in Medical Assistance (FMAP) funds, allowing them to avoid budget cuts; and
- **Thirteen** states have qualified for State Fiscal Stabilization Funds to improve education programs and save education-related jobs. [OVP, 5/2009]

This report provides an illustration of the way *Recovery Act* programs have already begun to: 1) [create and save jobs](#), 2) [boost household resources](#), and 3) [alleviate the effects of the recession on the most vulnerable in our communities](#).

The Recovery Act Is Creating and Saving Jobs

As the following examples demonstrate, the *Recovery Act* has already begun to create and save jobs and: 1) [improve the quality and security of our lives](#), 2) [spur opportunities for recovery and growth](#), 3) [make investments in our future](#), and 4) [protect our nation's resources and environment](#).

Jobs that improve the quality and security of our lives

- **Creating and saving jobs and strengthening the health of our families and communities.**
 - In March, President Obama announced the release of \$155 million in *Recovery Act* funds that will support 126 **new health centers**. President Obama stated: "The construction and expansion of health centers will create thousands of new jobs, help provide health care to an estimated 750,000 Americans across the country who wouldn't have access to care without these centers, and take another step toward an affordable, accessible health care system." [recovery.gov, 3/2/2009]
 - The **Department of Commerce** announced the availability of \$150 million in *Recovery Act* grants to create jobs and boost development in parts of the country hit hard by the recession. These funds will be administered by the Economic Development Administration to create jobs and generate private sector investment by promoting comprehensive, entrepreneurial and innovation-based economic development efforts. [DOC, 3/1/2009]
 - In April, the Department of **Health and Human Services** announced the availability of \$50 million in grants from the new Strengthening Communities Fund, which was created by the *Recovery Act*. The fund will strengthen nonprofit and faith-based organizations that aid families and communities who are struggling in the economic downturn.
 - HHS also announced that Head Start and Early Head Start programs will receive *Recovery Act* funding and be eligible to apply for grants worth \$2.1 billion. Head Start will receive \$1 billion, while \$1.1 billion will benefit Early Head Start. These new funds will improve centers, serve tens of thousands more children and families, and create jobs. [HHS, 4/2/2009]
 - In late April, the **Corporation for National and Community Service** swore in the first of up to 13,000 AmeriCorps members funded by the *Recovery Act*, putting boots on the ground to assist Americans hardest hit by the economic downturn. These volunteers will serve with nonprofit and faith-based groups, providing foreclosure prevention and financial counseling, expanding college access, helping ex-offenders re-enter society, organizing literacy programs, and supporting health care and independent living services. [CNCS, 4/24/2009]
- **Creating and saving law enforcement jobs and increasing public safety.**
 - In March, the **Department of Justice** began accepting applications for \$1 billion in *Recovery Act* Funds for the Community Oriented Policing Services (COPS) Program.

Approximately 5,500 law enforcement officer jobs will be created or saved in law enforcement agencies across the country through this funding. [DOJ, 3/16/2009]

- The **Department of Homeland Security** announced \$1 billion in *Recovery Act* Funds for aviation security projects that will create 3,000 jobs in up to 17 states. This funding will accelerate the implementation of optimal checked baggage solutions and the enhanced detection of liquid threats in carry-on baggage. [DHS, 3/5/2009]
- In April, DOJ announced *Recovery Act* grants to save and create justice-related jobs in 20 states, territories, and the District of Columbia. These Edward Byrne Memorial Justice Assistant Grant Program funds will be used to maintain or increase public safety, while creating or retaining jobs within the law enforcement community. [DOJ, 4/29/2009]
- DOJ also began the process of awarding \$100 million in *Recovery Act* funds to victim assistance and compensation programs. [DOJ, 4/24/2009]

➤ **Creating and saving jobs and improving the quality of life for our nation's service members.**

- In April, the **Department of Defense** announced \$835 million in *Recovery Act* funds for more than 850 facility improvement projects in 37 states and the District of Columbia. These projects will stimulate the economy through job creation “while improving the quality of life for service members, their families, and DoD civilian workers.” These new projects are in addition to the \$6.1 billion in infrastructure investments announced on March 20, 2009. [DOD, 4/28/2009]
- In mid-May, Vice President Biden announced DOD's plan to *temporarily* expand its Homeowners Assistance Program with \$555 million in *Recovery Act* funds dedicated to helping military families and DoD civilians who recently sold their homes at a loss. The expanded program will assist families forced to relocate due to base closures or normal assignment rotations. Priority access to the funds will go to survivors of those killed during deployment, and those who were wounded, ill or injured during deployment. [The White House, 5/14/2009]
- DoD has pledged to execute other *Recovery Act* funds as quickly as possible, including: \$4.26 billion to upgrade thousands of Department buildings, including energy-related improvements and upgrades to military medical facilities; \$2.18 billion for new construction (including \$1.33 billion for hospitals); \$120 million for improving the energy efficiency of existing facilities; \$300 million to develop energy-efficient technologies; and \$555 million for a temporary expansion of assistance to qualified military and civilian personnel who suffer financial loss on the sale of their primary residence. [DOD, accessed 5/14/2009]

Jobs that spur opportunities for recovery and growth

➤ **Creating and saving jobs and improving the quality of the housing stock and promoting energy efficiency.**

- By the end of February, **Housing and Urban Development** had allocated all of its formula-based funding, representing nearly 75 percent of its *Recovery Act* funding, or \$10.1 billion. [HUD, 2/25/2009]

- In March, HUD announced that public housing authorities can begin spending nearly \$3 billion in *Recovery Act* funds to make significant improvements to tens of thousands of public housing units nationwide. This funding will allow local housing agencies to begin on a backlog of previously underfunded capital improvement projects, create jobs, and increase energy efficiency. [HUD, [3/24/2009](#)]
- In April, **USDA** announced that it had begun disbursing the first wave of the \$10 billion in guaranteed housing loans provided in the *Recovery Act*. This funding is estimated to create and save 42,500 jobs and provide thousands with home ownership opportunities for rural America. [USDA, [5/1/2009](#)]
- In early May, HUD began soliciting grant applications under its Neighborhood Stabilization Program to make available nearly \$2 billion in *Recovery Act* funding to states, local governments and non-profit housing developers to combat the effects of home foreclosures. These funds can be used to acquire land and property; to demolish or rehabilitate abandoned properties; and to offer downpayment and closing cost assistance to low- to middle-income homebuyers.

HUD will also provide up to \$50 million in technical assistance grants to help grantees better manage their neighborhood stabilization programs. Applications for NSP technical assistance will be due June 8, 2009. [HUD, [5/4/2009](#)]

- HUD offered nearly \$1 billion in *Recovery Act* funds for improvements to thousands of public housing units nationwide. This includes funding to create more energy efficient public housing units, develop or renovate public housing projects stalled due to lack of resources, transform obsolete public housing projects into newly built or renovated developments, and improve public housing units and create community facilities for the delivery of medical and other services to the Elderly and Persons with Disabilities. [HUD, [5/11/2009](#)]
- In mid-May, Vice President Biden announced that HUD is making nearly \$100 million in *Recovery Act* funding available to help eliminate dangerous lead-based paint and other health and safety hazards from low-income homes. These grants will help 53 local programs in 20 states and the District of Columbia to protect young children from lead poisoning and create jobs. [The White House, [4/15/2009](#)]

➤ **Creating and saving jobs and spurring opportunities for our nation's small businesses.**

- Under the *Recovery Act*, the **Small Business Administration** has expanded eligibility of 7(a) loans to spur opportunities for small businesses. More than 70,000 additional small businesses – including auto and RV dealerships, auto industry suppliers and others – could be eligible to apply for these loans. This will give small businesses access to capital to keep their doors open and employees working during these tough economic times. [SBA, [5/1/2009](#)]
- The *Recovery Act* also temporarily eliminated some borrower fees on two programs and temporarily increases guarantees up to 90 percent on the 7(a) program, SBA's largest loan program. The fee elimination means more capital available to businesses at a lower cost. The increase in guarantee levels will help provide banks with the greater

confidence they need to extend credit during the current economic crisis, which will mean more capital available to small business owners across the country. [SBA, 5/3/2009]

➤ **Creating and saving jobs and expanding opportunities for Rural America.**

In March, USDA took its first actions to implement the \$28 billion in *Recovery Act* funds:

- The **Farm Service Agency** immediately used \$145 million of the \$173 million provided in the *Recovery Act* for its Direct Operating Farm Loan Program, which will give 2,042 farmers – almost 50 percent who are beginning farmers and 10 percent who are socially disadvantaged producers - direct loans from the agency. These loans will be used to purchase items such as farm equipment, feed, seed, and fuel and will stimulate rural economies by providing American farmers funds to operate. [USDA, 3/9/2009]
- The **Rural Development Agency** provided an initial \$14.9 million (\$1.17 billion in loan guarantees) to nearly 10,000 rural families for homeownership financing, creating or saving more than 5,000 jobs.

The Agency also released more than \$400 million in pending applications for Water and Waste grants and \$140 million in pending applications for Rural Development Water and Waste Direct Loans. Nearly 13,000 jobs will be created by 400 water and wastewater projects. [USDA, 3/9/2009]

- The **Forest Service** released almost \$100 million of its \$1.15 billion for *Recovery Act* projects to be used for hazardous fuels reduction, forest health protection, rehabilitation, and hazard mitigation activities on federal, state and private lands. Over 1,500 jobs will be created through shovel-ready projects that will be released this week for urban youth and individuals involved in urban forestry, restoration projects fire prevention, roads, bridges, buildings, and recreation facilities. [USDA, 3/9/2009]
- The **Natural Resources Conservation Service** released approximately \$145 million in *Recovery Act* funds to restore frequently-flooded land to its natural state; create jobs in rural communities nationwide when landowners establish these floodplain easements; and restore and protect an estimated 60,000 acres of flood-prone lands through the floodplain easement component of its Emergency Watershed Protection Program. Signups for the easements were held from March 9 through March 27 nationwide.

The Service released \$80 million in *Recovery Act* funds to improve fish and wildlife habitat and create or restore wetlands and \$50 million for rehabilitating aging watershed structures to protect lives and property and public infrastructure. An estimated 2,100 jobs are directly related to these *Recovery Act* projects in the engineering and biological fields, additional specialized equipment operators, construction crews and many other diversified skilled laborers. [USDA, 3/9/2009]

➤ **Creating and saving jobs and cutting energy bills.**

- In March, the **Department of Energy** announced an investment of about \$5 billion through the Weatherization Assistance Program and about \$3 billion for the State Energy Program to put 87,000 Americans to work and save families hundreds of dollars per year on their energy bills. The funding will support weatherization of homes,

including adding more insulation, sealing leaks and modernizing heating and air conditioning equipment, which will pay for itself many times over. [DOE, 3/12/2009]

- DOE also announced plans to invest \$3.2 billion in energy efficiency and conservation projects. The *Recovery Act's* Energy Efficiency and Conservation Block Grant program will fund city, county, state, territory, and tribal projects that reduce total energy use and fossil fuel emissions, and improve energy efficiency nationwide. These investments will save taxpayer dollars and create jobs in communities around the country. [DOE, 3/26/2009]

Jobs that make investments in our future

➤ **Creating and saving jobs and laying the foundation for a generation of education reform.**

- In April, the **Department of Education** made a first round of \$44 billion in State Fiscal Stabilization Funds available to save jobs and improve education. These *Recovery Act* funds will help avert hundreds of thousands of estimated teacher layoffs in schools and school districts while driving crucial education improvements, reforms, and results for students.

To date, the Department has made billions of dollars of funding available to California, Illinois, South Dakota, Mississippi, Minnesota, Utah, Maine, New York, Georgia, Nevada, and Florida after the successful completion of Part 1 of the State Stabilization Application. The states will be eligible to apply for additional funding in the fall. [DoEd, 3/7/2009]

- In March and April, the Department announced that nearly \$700 million in *Recovery Act* funding was available in for various programs including vocational rehabilitation state grants and impact aid construction.

Another \$17.3 billion for Pell Grants and work-study funds is available for disbursement for the next academic year beginning July 1.

An additional \$35 billion in Title 1, IDEA, and State Fiscal Stabilization Funds, as well as monies for other programs will be distributed between July 1 and September 30. [DoEd, 3/7/2009]

- In mid-April, the Department released \$108.8 million in *Recovery Act* funding to states for targeted students and communities. This includes \$39.6 million in 180 Impact Aid Construction grants for communities to help repair and modernize schools and alleviate overcrowding and \$69.2 million in 52 Homeless Children and Youth grants to help states and school districts meet the educational and related needs of homeless students. [DoEd, 4/13/2009]

➤ **Creating and saving jobs and maintaining our nation's leadership in science and innovation.**

In March, the **Department of Energy** announced the availability of \$2.4 billion in *Recovery Act* funding to put American ingenuity and America's manufacturers to work producing next generation Plug-in Hybrid Electric Vehicles and the advanced battery components that will make these vehicles run. This initiative will create tens of

thousands of U.S. jobs and help us end our addiction to oil. Americans who decide to purchase these Plug-in Hybrid vehicles can claim a tax credit of up to \$7,500. [DOE, [3/19/2009](#)]

- The DOE also announced \$1.2 billion in *Recovery Act* funds for new science initiatives in ten National Laboratories in eight states. These projects will create thousands of jobs and breathe new life into many local economies, while helping to accelerate new technology development, renew our scientific and engineering workforce, and modernize our nation's scientific infrastructure. [DOE, [3/23/2009](#)]
- In May, the National Science Foundation began to solicit proposals for *Recovery Act* projects to repair and renovation at the nation's academic research facilities. The \$200 million in grants authorized by the *Recovery Act* will make investments in research and education that will build a stronger economic foundation for the country. [NSF, [5/11/2009](#)]

➤ **Creating and saving jobs and developing clean energy.**

In April, the **Department of Energy** announced:

- \$41.9 million in *Recovery Act* funding for fuel cell technology to expand the use of clean and renewable energy sources and reduce America's dependence on oil. These efforts will accelerate the commercialization and deployment of fuel cells and create jobs in fuel cell manufacturing, installation, maintenance, and support services. [DOE, [4/15/2009](#)]

Plans (along with the **Department of Commerce**) to develop a smart, strong and secure electrical grid, which will create new jobs and help deliver reliable power more effectively with less impact on the environment to customers across the nation. More than \$3.3 billion in *Recovery Act* funds will be distributed in smart grid technology development grants and an additional \$615 million for smart grid storage, monitoring and technology viability. [DOE, [4/16/2009](#)]

- Plans to provide \$93 million in *Recovery Act* funds to support further development of wind energy in the United States and more than \$100 million in *Recovery Act* funding for National Renewable Energy Laboratory facility and infrastructure improvements. The U.S. now leads the world in wind energy generation and has led the globe in new wind energy capacity installations for the past four years. [DOE, [4/29/2009](#)]

In May, DOE announced:

- \$786.5 million in *Recovery Act* funds to accelerate advanced biofuels research and development and to provide additional funding for commercial-scale biorefinery demonstration projects. New green jobs will be a benefit of this effort to end our dependence on oil. [DOE, [5/5/2009](#)]
- \$800 million in *Recovery Act* funds will be used to expand DoE's Clean Coal Power Initiative, which provides government co-financing for new coal technologies that can help utilities cut sulfur, nitrogen and mercury pollutants from power plants. [DOE, [5/15/2009](#)]
- \$1.52 billion in *Recovery Act* funds for a two-part competitive solicitation for large-scale CCS from industrial sources. The industrial sources include sources like power plants,

cement plants, chemical plants, refineries, steel and aluminum plants, and manufacturing facilities. [DOE, 5/15/2009]

➤ **Creating and saving jobs and investing in the safety of our transportation systems.**

- In February, the **Department of Transportation** announced the release of \$26.6 billion in *Recovery Act* funds to states and local transportation authorities to repair and build highways, roads and bridges. State highway departments have already identified more than 100 other transportation projects across the country, totaling more than \$750 million, where construction could start within a month. [DOT, 2/3/2009]

On March 3, construction began on the first project: resurfacing Maryland Route 650 in Silver Spring, Maryland, which created 22 jobs. The 2,000th project approved is for rebuilding a \$68 million interchange on I-94 in Portage, Michigan. Construction will start in June, creating 900 jobs this summer.

Overall, the Administration estimates that the highway portion (\$27.5 billion) of the *Recovery Act* will eventually create or sustain 150,000 jobs. [DOT, accessed 5/14/2009]

In March, the **Federal Aviation Administration** announced \$12 million for Pennsylvania airports. A \$10 million allocation to Pittsburgh International Airport (which serves 4.8 million passengers per year) will be used to repair Runway 14-32, one of four commercial service runways. A \$2 million allocation for Allegheny County will renovate a taxiway and relocate a ramp. Under the *Recovery Act*, FAA received \$1 billion to allocate to qualified airports on a discretionary basis. About 3,400 airports designated as part of the national airport system are eligible to receive *Recovery Act* funds. [DOT, 3/12/2009]

- In March, Vice President Biden announced that **Amtrak** will receive \$1.3 billion in grant funding from the *Recovery Act*. These funds will help create jobs and at the same time, repair and update critical needs of our nation's infrastructure and result in tangible benefits to Amtrak's passengers, including increased capacity (with fewer sold-out trains), improved operational reliability, and increased passenger comfort and accessibility at stations.

Amtrak's hiring for *Recovery Act* projects represents a major investment, not just in infrastructure, but also in the railroad's employees. As a large portion of Amtrak's skilled workforce nears retirement age, workers hired for ARRA projects will be trained and ready to step in to a long-term role on the railroad. [DOT, 3/13/2009]

Jobs that protect our nation's resources and environment

➤ **Creating and saving jobs and restoring habitat and promoting conservation.**

- In March, the **U.S. Fish and Wildlife Service** announced that it will invest \$280 million in *Recovery Act* funds for more than 770 projects to build visitors centers, improve infrastructure, and bolster conservation at national wildlife refuges and hatcheries across the country. These projects will create jobs and promote the conservation of our nation's fish and wildlife. [DOI, 4/26/2009]

- In May, the **Department of Interior** announced \$305 million in *Recovery Act* funds for more than 650 Bureau of Land Management projects across the country. The investments will restore landscapes and habitat, spur renewable energy development on public lands, and create jobs. [DOI, 5/2/2009].
- **Creating and saving jobs and protecting the country's public health and our environment.**
- In March, the **Environmental Protection Agency** announced an estimated \$211 million in funding that will help create jobs for redevelopment nationwide and protect communities and the environment from diesel emissions. State and local governments, nonprofit organizations, and tribal agencies became eligible to apply for diesel grants and brownfields grants as of March 20. EPA plans to provide the funding in June. [EPA, 3/20/2009]
- In mid-March, **USDA** announced several *Recovery Act* projects for wildland fire protection and removal of hazardous fuels that began immediately. These projects will create thousands of jobs in California, Colorado, Florida, and Oregon. USDA anticipates creating 25,000 new jobs over the next two years on projects relating to land stewardship and watershed restoration, green infrastructure repair, and in the production of energy from wood. [USDA, 3/16/2009]
- In late March, **EPA** announced its first award of nearly \$100 million in *Recovery Act* funding to be invested in Colorado. These resources include more than \$65 million for improving drinking water and wastewater infrastructure. [EPA, 3/27/2009]
- At the end of March, the **Department of Energy** announced \$6 billion in *Recovery Act* funding to accelerate environmental cleanup work and create thousands of jobs across 12 states. Projects identified for funding will focus on accelerating cleanup of soil and groundwater, transportation and disposal of waste, and cleaning and demolishing former weapons complex facilities. [DOE, 3/31/2009]
- In early April, EPA made a \$430 million grant in *Recovery Act* funds to New York for wastewater infrastructure projects. This was the single largest grant in EPA's history. New York will use the *Recovery Act* grant to provide money to municipal and county governments and wastewater utilities for projects to protect lakes, ponds and streams. [EPA, 4/3/2009]

The Recovery Act is boosting household resources through stimulus payments and tax cuts

For families and individuals hit hard by the economic crisis, the payments that Congress included in the *Recovery Act* have already helped them make ends meet during these difficult times:

In April, American households begin receiving their Making Work Pay tax credit.

Beginning on April 1, 2009, the majority of the 129 million beneficiaries began receiving their Making Work Pay tax credit directly in the form of increased take-home pay (due to decreased withholding). Other beneficiaries will claim the credit on their tax returns.

Congress created this tax credit to benefit 95 percent of our nation's working households, providing up to \$400 (for individuals) or \$800 (for married couples filing jointly). The credit is fully refundable so that low-income workers can benefit.

In May, seniors began receiving their \$250 stimulus one-time payments.

Disbursements to 64 million beneficiaries of the one-time stimulus payments began in early May, with the \$250 payments first going to those receiving Social Security benefits and Supplemental Security Income (SSI). These payments will continue throughout the month of May.

The next payments will be sent to recipients of Railroad Retirement Board benefits in late May. [RRB, 4/2009] Disabled veterans receiving Veterans Compensation and Pension benefits will begin to receive their payments in June. [Treasury, 4/9/2009]

Other *Recovery Act* tax cuts and incentives included targeted at middle-and lower-income families have given a direct boost to after-tax income.

These include:

- Expansions to the Earned Income Tax Credit (EITC) that will help low- and middle-income married couples and families with children;
- Expansions to the Child Tax Credit (CTC) that will enable lower-income families to take advantage of the credit;
- The American Opportunity Tax Credit, which expands tax credits for college education, and offers the credits to a wider range of families; and
- Temporary tax cuts designed to boost the economy and help middle-class families, including a tax credit for first-time homebuyers and a deduction for car purchases.

Special small business tax provision was announced in March.

For families that rely on their small business income to support themselves, the Internal Revenue Service announced that small businesses with deductions exceeding their income in 2008 can use a new net operating loss tax provision to get a refund of taxes paid in prior years. Now, thanks to the *Recovery Act*, eligible small businesses with large losses in 2008 have been able to benefit fully from those losses now, rather waiting until claiming them on future tax returns. [IRS, 3/16/2009]

The Recovery Act is providing assistance for the most vulnerable who have been hurt by the recession.

Congress included many provisions in the *Recovery Act* as a part of its commitment to putting Americans back to work so they can re-build the financial fabric of their lives. This includes:

Expanded unemployment insurance.

- In February, the Department of Labor announced a weekly increase in unemployment compensation, enacted as a part of the *Recovery Act*. The *Recovery Act* increases the weekly benefit by \$25 and extends benefits so that middle-class workers can better

replace their lost income if they lose their jobs, as well as a provision to exclude UI benefits from taxable income.

States began to make the extra payments as early as the week of March 1, 2009, for weeks of unemployment effective Feb. 22, 2009. [DOL, [2/26/2009](#)]

- The *Recovery Act* also made a total of \$7 billion available in UI Modernization incentive payments to states that include certain eligibility provisions in their state UI programs. Each state can qualify for a share of those funds by showing that its law includes certain provisions.

To date, the Department has released unemployment insurance modernization incentive funds to Connecticut, Illinois, Massachusetts, Minnesota, New Hampshire, New Jersey, and South Dakota. [DOL, accessed [5/14/2009](#)]

Subsidy for former employees to continue their health care insurance.

- Under the *Recovery Act*, eligible former employees who were enrolled in their employer's health plan at the time they lost their jobs are required to pay only 35 percent of the cost of COBRA coverage. Employers must treat the 35 percent payment by eligible former employees as full payment, but the employers are entitled to a credit for the other 65 percent of the COBRA cost on their payroll tax return.
- In March, the Labor Department published more information to help the public understand how the program works and how they can qualify for the premium subsidy for continuation of health coverage under private, state and federal programs. The model notices enable employers to quickly spell out for former employees and their families how to take advantage of COBRA coverage and the subsidy. [DOL, [3/19/2009](#)]

Training and other assistance to workers affected by the recession.

- In March, the Department of Labor issued policy guidance to grantees of the Senior Community Service Employment Program (SCSEP) for the implementation of an additional \$118.8 million in *Recovery Act* funds. This critical investment is designed to increase services and training for unemployed, low-income seniors, and to invigorate and advance prosperity in the communities where they live. This funding will expand the number of SCSEP participants assigned to community service work, particularly in high-growth job sectors such as health care, child care, education, green jobs, energy efficiency and environmental services. [DOL, [3/20/2009](#)]

In April, the Department of Labor announced a nearly \$628,000 grant to assist workers in Maine affected by home construction industry layoffs. The grant will provide workers with access to dislocated worker services. These services may include individual career counseling, skills assessment, and basic and occupational skills training. [DOL, [4/23/2009](#)]
The Department also provided grants to Ohio (for layoffs in the natural resources industry) and Missouri (to assist workers with mass layoffs and plant closures).

- On May 18, *Recovery Act*-mandated reforms to the Trade Adjustment Assistance program took effect to ensure that all U.S. workers negatively affected by trade have the skills, resources and support to become re-employed. Reforms include an increase in the annual cap on TAA training funds from \$220 million to \$575 million. [DOL, [5/18/2009](#)]

Expansion of safety net programs to help lower-income, vulnerable families deal with the hardships of the recession.

- In February, HHS announced that the first two quarters of **Federal Medical Assistance Percentage (FMAP)** funding, more than \$15 billion in federal funds for Medicaid programs in all fifty states, was available. When Americans lose their jobs, many also lose their health insurance and rely on Medicaid to obtain coverage for themselves and their families. Funds made available to states in February could provide Medicaid coverage for as many as 20 million Americans. The *Recovery Act* included almost \$87 billion over two years in additional federal matching funds to help states maintain their Medicaid programs. [The White House, [2/23/2009](#)]
- In March, USDA provided an additional \$5 million in *Recovery Act* funding for the **Food Distribution Program on Indian Reservations** for facility improvements and equipment upgrades. This program provides a vital service: reservations and tribal lands are often remote with limited service from grocery stores. It provides commodity foods to low-income households, including the elderly, living on Indian reservations, and to Native American families residing in designated areas near reservations and in Oklahoma. [USDA, [3/9/2009](#)]
- USDA also provided \$25 million in *Recovery Act* funding to support administrative functions for the **Emergency Food Assistance Program** in March. Through this program, USDA provides commodities and administrative funds to states for further distribution to local organizations that assist the needy, including food banks, food pantries, and soup kitchens. [USDA, [3/9/2009](#)]
- HHS awarded \$100 million in *Recovery Act* funding to provide meals to tens of thousands of **low-income older Americans** in need. The funding will provide an estimated 14 million meals nationwide through 56 states and territories and 246 tribes and Native Hawaiian organizations. [Recovery.gov, [3/18/2009](#)]
- On April 1, a 13.6 percent increase took effect for the monthly **Supplemental Nutrition Assistance Program (SNAP)**, formerly food stamps) benefit for recipients. This is roughly \$80 per family per month.

The SNAP program serves over 31 million people each month. The influx of funding will not only help those struggling during these tough economic times but stimulate local economies. It is estimated that for every five dollars spent through SNAP, \$9.20 of local economic activity is generated.

In addition, the *Recovery Act* provides nearly \$300 million to help states administer SNAP. The first \$145 million was released in March to assist States in responding to increased need.

- In April, HHS announced the availability of up to an additional \$5 billion in new emergency funding for the **Temporary Assistance for Needy Families (TANF)** program in 17 states to help serve more families seeking employment opportunities and other forms of assistance during the economic downturn. [HHS, [4/3/2009](#)]

- HHS also announced plans to make \$1 billion in *Recovery Act* funds available for the **Community Services Block Grant** program. These funds will be used to provide services and activities addressing employment, education, housing, nutrition, and emergency services to combat the central causes of poverty. [HHS, [4/10/2009](#)]

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.

Health Reform Required to Address 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, co-payments and prescription drugs – are hitting families, businesses, and the government. Too many Americans live in fear of the astronomical costs they will incur if they or their families experience an unexpected health care emergency. Senate Democrats are committed to enacting health reform that addresses the health care cost crisis, ensures quality, affordable for all Americans.

Health Care Cost Crisis for Individuals

Over time, rising health care costs have consumed a larger portion of Americans' wages, meaning that Americans aren't reaping the benefits of their hard work, raises, and productivity gains; in many instances, they simply turn that money over to their insurance company.

Premiums doubled. Over the past 9 years, premiums for employer-sponsored health insurance have more than doubled, a growth rate six times faster than cumulative wage increases.[1]

Less take-home pay. In 2007, 33 percent of Americans spent 10 percent of their annual income on health expenses, a marked increase from 2001, when just 21 percent of adults were forced to dedicate such a high proportion of their income to health care bills.[2] One study estimates that by 2016 the average cost of family employer-sponsored health insurance will reach \$24,000, an 84 percent increase over 2008 premium levels. To meet this high cost, at least half of American families will have to spend more than 45 percent of their annual income to purchase health insurance.[3]

Bankruptcy and foreclosure. Medical costs contribute to bankruptcies and foreclosures. Half of all Americans filing for bankruptcy in 2001 – 2 million people – pointed to medical costs as a reason for their filing.[4, 5,6,]

Hidden tax. When the uninsured cannot pay for the health care they desperately need, health care providers shift those costs to those who can pay, resulting in a “hidden tax.” A recent study estimates that in 2009, premiums for family coverage are eight percent higher – a national average of \$1,100 - due to this cost shift.[7]

Costlier prescription drugs. When it comes to prescription drugs, Americans are getting less for their money. While prescription drug use fell in 2008, total spending increased by 3.3 percent. Furthermore, the average price of brand-name pharmaceuticals increased more than eight percent, the largest increase in five years.[8]

Delayed or skipped care. A recent Kaiser Family Foundation tracking poll found that, within the past year, high health care costs have led six in ten Americans to delay or skip medical care.[9]

Health Care Cost Crisis for Businesses, Especially Small Businesses

Most small business owners want to offer health insurance to their employees and believe it is the right thing to do. Many feel their business would be more productive if they had health coverage for themselves and their employees. But escalating health care costs stand in the way of America's entrepreneurs and doing the right thing.

Barrier to offering coverage. One survey found that three-quarters of small businesses that did not offer benefits cited high costs as the reason, with high administrative costs for servicing a very small group of insured individuals greatly contributing to those high costs.[10,11]

Fewer firms offer coverage. Between 2000 and 2007, the percentage of small businesses offering health insurance coverage to their employees dropped from 68 percent to 59 percent.[12]

Drain on payrolls. Small businesses that are able to offer health insurance to their employees find that it is a substantial drain on their payroll, with 40 percent of these businesses spending more than 10 percent of their payroll on health care costs.[13]

Hinders business growth. The cost of health care is holding businesses back, as 40 percent of small business owners have stated that high health care costs have a negative effect on other parts of their business, such as high employee turnover or preventing business growth.[14]

Health Care Cost Crisis for Government

In 2007, the United States spent a total of \$2.2 trillion on health care, just over 16 percent of gross domestic product (GDP), and the Congressional Budget Office (CBO) estimates that federal spending on Medicare and Medicaid was approximately four percent of GDP.[15] If Congress does not act, total health care spending will consume 25 percent of total GDP in 2025, just 16 years from now, while federal spending on Medicare and Medicaid will balloon to seven percent of GDP during that time period.[16]

Quality, Affordable Health Care for All Americans

Senate Democrats recognize that Americans can no longer afford health care in America, and that we must address the health care cost crisis. Democrats will continue to make the case for health reform, advance the debate on options for reform, and remain focused on the health care needs of American families and businesses.

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Senate Democrats Continue Push for Investments in Quality, Affordable Health Care for All Americans

America suffers from a health care cost crisis; skyrocketing health care costs strain family budgets, undermine the competitiveness of American businesses, and are unsustainable for federal and state governments. Too many Americans live in fear of the astronomical costs they will incur if they or their families experience an unexpected health care emergency. Senate Democrats remain committed to quality, affordable health care for all Americans. During the 111th Congress, Democrats have passed critical legislation supporting this goal, and President Obama's Fiscal Year 2010 *Budget Request* demonstrates a shared focus on economic recovery and health reform.

Earlier this year, Senate Democrats passed the *Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)*, which reauthorized the Children's Health Insurance Program to continue and expand access to health insurance for lower-income children. The legislation was signed into law by President Obama (**P.L. 111-3**) on February 4, 2009.

In February, Congress enacted and the President signed the *American Recovery and Reinvestment Act of 2009 (Recovery Act)* (**P.L. 111-5**) to spur economic recovery and to make investments in our long-term economic strength. The *Recovery Act* provided crucial funding to states facing budget shortfalls due to the severe economic downturn. A recent report found that 36 states have attempted to close their budget gaps by eliminating or reducing critical social services, including health care.[1] The funding provided by the *Recovery Act* has mitigated some of the effects of these cuts, allowing many states to maintain their programs, save jobs, and create new opportunities for work.

In March, Congress passed and President Obama signed the *Omnibus Appropriations Act of 2009 (Omnibus)*, (**P.L. 111-8**), which provided the funding necessary to continue government services throughout Fiscal Year 2009, including for the Department of Health and Human Services. This legislation provided critical funding for health care programs on which millions of Americans depend.

In April, Congress agreed to its Fiscal Year 2010 *Budget Resolution (S. Con. Res. 13)*, which reflects Americans' priorities for health care. The *Budget Resolution* builds on investments made in *CHIPRA*, the *Recovery Act*, and the *Omnibus*, setting the stage for health reform that will provide quality, affordable health care to all Americans.

Finally, in May, President Obama sent his Fiscal Year 2010 *Budget Request* to Congress. The *Budget Request* emphasizes Americans' urgent need for health reform, establishing a deficit-neutral reserve fund of \$635 billion, a down payment on reform legislation to reign in skyrocketing health care costs that American families now face and align

incentives to give health care providers every tool necessary to provide quality health care to all each patient.

Taken together, these initiatives move towards reducing health care costs and ensuring quality, affordable health care for all Americans. Given the strain that health care costs place on American families and businesses, making critical investments in our nation's health care will strengthen the economy and help lead to long-term economic prosperity.

Health Coverage for Americans Who Need it Now

It's clear we have a health care cost crisis in America; health care costs consume a growing share of families' incomes, even for families with health coverage. Democrats' efforts during the past few months have focused on providing help to families with an immediate need for health coverage, while making long-term investments in our health care infrastructure to bring down costs for all Americans over time.

Ensuring a healthy future for our children. The Children's Health Insurance Program (CHIP) provides health coverage to millions of children in families that earn too much money to qualify for Medicaid, but not enough to afford private insurance. Earlier this year, Congress passed and the President signed the *Children's Health Insurance Program Reauthorization Act (CHIPRA) (P.L. 111-3)*, which authorized an additional \$44 million over five years, allowing as many as four million uninsured children to enroll in this successful program. This is an important step to ensuring that the nearly nine million uninsured children in our country gain access to health coverage. The previous President vetoed two bipartisan reauthorizations of CHIP, so President Obama's support and prioritization of CHIP, by signing *CHIPRA* and including full funding for the program in his Fiscal Year 2010 *Budget Request*, is a welcome change.

Health coverage for the poorest Americans. In Fiscal Year 2010, approximately 53 million Americans will rely on Medicaid for their health care needs. Medicaid is funded jointly by the federal government and state governments. In the *Recovery Act*, Congress provided a temporary increase of approximately \$86 billion in federal funding for Medicaid, helping states respond to increased unemployment rates and more individuals qualifying for Medicaid. The *Budget Request* also includes \$1.5 billion in savings to Medicaid in Fiscal Year 2010 through legislative proposals that would increase the rebates the Medicaid program receives from pharmaceutical manufacturers and increase efficiency and accountability within the program.

Caring for elderly Americans. Approximately 47 million Americans depend on Medicare for their health care. The *Omnibus* provided \$45 million for outreach to seniors to help newly-eligible individuals understand which Medicare benefits are available to them. The President's *Budget Request* also seeks to improve Medicare through legislative and administrative proposals designed to align incentives toward quality health care, promote efficiency and accountability, and encourage shared responsibility.

Helping the recently unemployed get back on their feet. Sixty-one percent of the non-elderly population receives health insurance through an employer.[2] The *Recovery Act* provided a temporary subsidy to individuals recently laid off so that they can maintain their health coverage. Some recently unemployed individuals will be eligible for a nine-month subsidy to cover 65 percent of the cost of maintaining their employer-sponsored coverage (also known as COBRA).

Coverage for the ‘uninsurable.’ Some individuals are denied affordable health care coverage because of pre-existing medical conditions. The *Omnibus* provided \$75 million for state high-risk insurance pools that offer more affordable health insurance to nearly 200,000 individuals with high-risk medical conditions, and the *Budget Request* also includes \$75 million for this important program.

Health Care Infrastructure Investments for Long-Term Cost Containment

Health Professions Workforce. Medical professionals are in high demand and short supply, a problem that is likely to grow as medical personnel reach retirement age and the aging population demands increased care. The *Recovery Act* provided \$500 million to address workforce shortages and the *Omnibus* directed \$842 million to train doctors and other medical personnel providing improved access to critical health care services. The *Budget Resolution* also supports programs that train health care providers to respond to the needs of underserved population, such as the National Health Service Corps, which places primary health care professionals in underserved communities. The *Budget Request* mirrors this commitment by including \$1 billion for health professions programs designed to increase the number of providers practicing in underserved areas. This funding level includes \$169 million for the National Health Service Corps (a \$34 million increase over the Fiscal Year 2009 level) and \$263 million to address the nursing workforce shortage (an increase of \$92 million) for the Nurse Loan Repayment and Scholarship Program and the Nursing Workforce Development programs.

Community Health Centers. Federally Qualified Health Centers (FQHCs), including community health centers, migrant health centers, and health care centers for the homeless, provide primary health care and social services for Americans who do not have other access to care. In 2007, more than 16 million people received care through these health centers, 91 percent of whom had incomes below 200 percent of the federal poverty level. The *Recovery Act* included \$500 million for the operation of the nation's community health centers, and \$1.5 billion for construction and equipment at these vital centers. The *Omnibus* provided an additional \$2.2 billion for community health centers, and the *Budget Resolution* recognizes the critical role these centers play in our health care safety net and builds on these investments by providing \$2.9 billion for FQHCs in Fiscal Year 2010, an \$800 million increase above the Fiscal Year 2009 level. The President's *Budget Request* includes \$2.2 billion for health centers in Fiscal Year 2010.

Private Electronic Medical Records. 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. 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. 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.

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.

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.[3] 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.

In keeping with recommendations made by the Medicare Payment Advisory Commission (MedPAC), an independent panel that advises Congress regarding Medicare payment policies, the *Budget Request* proposes to eliminate billions of dollars in overpayments to private insurance companies that treat some Medicare beneficiaries through the private Medicare Advantage program. The Congressional Budget Office estimates that eliminating these overpayments would save taxpayers \$157 billion over ten years. The budget proposes a competitive bidding system which will allow the market, not Medicare, to set appropriate Medicare Advantage payment rates.

The *Budget Request* also includes a proposal to increase payment accuracy and accountability, and provides a \$125 million funding increase for Health Care Fraud and Abuse Control (HCFAC), for a total Fiscal Year 2010 investment of \$1.5 billion. Included in HCFAC program is the Medicare Integrity Program (MIP), which, according to the *Budget Request*, returns \$13 to the Medicare Trust Fund for every \$1 spent.

Rural Health Care. The *Omnibus* provided \$289 million for programs designed to help rural communities address their unique health care challenges. These funds will support more than 1,200 small, rural hospitals which will serve more than 700,000 rural residents in underserved communities. The *Budget Request* includes \$125 million

to improve health care access in rural areas, including \$55 million for Rural Health Care Services, Outreach, Network, and Quality Improvement grants, \$9 million for state offices of rural health, and \$8 million for telehealth grants.

Indian Health Service. The Indian Health Service (IHS) and tribal partners provide primary care and behavioral and community health services to American Indians and Alaska Natives. The *Budget Request* includes \$4.6 billion for IHS, an increase of \$454 million over the Fiscal Year 2009 level, and the largest proposed increase for the agency in 20 years. This request builds on the \$85 million investment in IHS included in the *Recovery Act*.

Ensuring Safety and Advancing Public Health

Food and Drug Administration. The Food and Drug Administration (FDA) protects public health by regulating our nation's drugs, biological products, medical devices, food supply and cosmetics. Members of Congress and the public have been increasingly concerned about the ability of the FDA to ensure the safety of these products. The *Budget Resolution* includes a deficit-neutral reserve fund to facilitate the consideration of legislation giving the FDA authority to regulate products and to assess user fees on manufacturers or importers of those products, to cover the cost of FDA's regulatory activities. The *Budget Request* includes \$3.2 billion for the FDA, a net program level increase of \$511 million over the Fiscal Year 2009 funding level. This includes \$1 billion for food safety, a \$259 million increase over Fiscal Year 2009, to give the FDA more of the resources it needs to address the food safety challenges facing the nation.

Pandemic Influenza Preparedness. As the country and the world respond to the H1N1 influenza A virus, the *Budget Request* includes \$584 million for pandemic influenza preparedness activities at the FDA, the Centers for Disease Control and Prevention (CDC), the National Institutes of Health (NIH), within the Office of the Secretary, and through the Public Health and Social Services Emergency Fund (PHSSEF). This includes a \$276 million one-time investment in advanced development activities to build vaccine production capacity and support next generation antivirals, among other activities. The President has requested an additional \$1.5 billion for pandemic flu preparedness, which is included in the Fiscal Year 2009 *Supplemental Appropriations* bill approved by the Senate Appropriations Committee.

Autism Spectrum Disorders. The *Omnibus* included \$63.4 million for efforts to prevent autism and support children and families affected by Autism Spectrum Disorders. The *Budget Request* builds on this investment, including \$211 million at NIH, CDC, and the Health Resources and Services Administration (HRSA) for research, treatment, screenings, surveillance, public health, and support services for children with autism and their families.

Prevention and Wellness Programs. Chronic diseases are among the most prevalent, costly, and preventable health problems, and investing in their prevention is a key component of health reform. The *Recovery Act* included over \$650 million for

prevention and wellness programs to keep our communities healthy and productive. The *Omnibus* provided an additional \$882 million for prevention and wellness activities, including \$25 million to provide colorectal cancer screening and follow-up care. The *Budget Request* includes \$1 billion for Health Promotion, a \$19 million increase above the Fiscal Year 2009 level. This includes \$896 million for Chronic Disease Prevention, Health Promotion, and Genomics activities, and \$142 million for Birth Defects, Developmental Disabilities, Disability and Health.

Immunization. The Vaccines for Children (VFC) program provides mandatory funding for free vaccines to children who meet several eligibility criteria. The Section 317 vaccines program is a discretionary program, and the *Budget Request* includes \$558 million for Section 317, building on the \$300 million investment in this successful program made in the *Recovery Act*.

Mental Health and Substance Related Disorders. The *Budget Request* includes \$3.5 billion for the Substance Abuse and Mental Health Services Administration (SAMHSA), a \$59 million increase above the Fiscal Year 2009 level. SAMHSA supports recovery for people dealing with or at risk of a substance related disorder or mental illness, and supports state and local efforts to improve the availability of quality prevention and treatment services.

Investing in Scientific Research

National Institutes of Health. The *Recovery Act* and the *Omnibus* directed more than \$40 billion to the National Institutes of Health (NIH) for biomedical research in areas such as cancer, Alzheimer's, heart disease, diabetes and stem cells. These investments could lead to new cures and treatments, and will address debilitating health conditions that prevent our workforce from reaching optimal productivity. The *Budget Request* builds on this investment, including \$31 billion for the NIH, an increase of \$443 million over the Fiscal Year 2009 funding level. Included in the *Budget Request* is more than \$6 billion to support cancer research, the first step in an initiative to double NIH cancer research funding over eight years.

Quality, Affordable Health Care for All Americans

Efforts by Senate Democrats during the 111th Congress have focused on helping families with an immediate need for health coverage while making long-term investments in our health care infrastructure to bring down costs for all Americans over time. Senate Democrats will build on these successes as Congress considers reform legislation to ensure quality, affordable health care for all Americans.

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2 Kaiser Commission on Medicaid and the Uninsured, "The COBRA Subsidy and Health Insurance for the Unemployed," (March 2009) available at <http://www.kff.org/uninsured/upload/7875.pdf>.

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- 3 P.R. Orszag for the Congressional Budget Office, "Increasing the Value of Federal Spending on Health Care," Testimony before the Committee on the Budget, U.S. House of Representatives, (July 16, 2008), available at: <http://www.cbo.gov/ftpdocs/95xx/doc9563/07-16-HealthReform.pdf>.

Senate Democrats Continue Our Commitment to Honoring the Service of Our Nation's Veterans

Senate Democrats have a long record of working to ensure that our nation's veterans receive the care and benefits they have earned through their service. For the past several years, congressional Democrats have led the effort to fill in critical funding shortfalls at the Department of Veterans Affairs (VA) left behind by the previous Administration and taken significant action to enhance VA health care services; meet the needs of returning Iraq and Afghanistan war veterans; and improve veterans' access to critical benefits. As we celebrate the Memorial Day holiday, we honor the service of the men and women who gave the ultimate sacrifice for our country and also pledge to continue our commitment to fulfilling our obligation to the heroes that have served and continue to serve.

This Fact Sheet outlines the legislative initiatives Senate Democrats have advanced since the start of the 111th Congress.

Senate Democrats led the effort to pass a Fiscal Year 2010 Budget that provides a record increase for veterans' health care and services. The *Budget Resolution* includes \$53.4 billion in funding for veterans programs, which is an increase of \$5.6 billion, or 11.7 percent, above the Fiscal Year 2009 level. According to veterans' service organizations, the budget authority "surpasses" the recommendations they provided in their policy and budget blueprint this year, known as the *Independent Budget*. This investment truly reflects our commitment to ensure that veterans get the care and benefits they have earned.

Specifically, the *Budget Resolution* will:

- **Continue to provide historic increases to VA.** In 2007, the first year under Democratic leadership, Congress appropriated the biggest increase to veterans' programs in the history of the Department. Congress went even further in 2008, providing a \$4 billion dollar increase, \$2.8 billion above President Bush's budget. This year's budget resolution would continue Congress's strong commitment, by including additional funding for VA to expand research and improve treatment for mental health, post-traumatic stress disorder (PTSD), and traumatic brain injury (TBI). The increased funding for health programs critical to meeting the needs of returning Iraq and Afghanistan war veterans.
- **Expand access to VA health care for modest income veterans.** The *Budget Resolution* includes a provision that would end the previous Administration's ban on enrolling modest income veterans in the VA health care system. According to the VA, this measure would effectively bring more than 500,000 additional veterans into the VA system by 2013.
- **Ensure efficient, timely, and predictable funding for veterans health care.** The *Budget Resolution* includes an advanced funding provision, which will allow Congress to provide funding for veteran's medical care one year ahead of the regular appropriations process. By providing advance appropriations, the *Budget Resolution* will put an end to funding delays for the VA and ensure timely and predictable funding

for the veterans health care system, critical to ensuring that veterans have access to quality health care.

Senate Democrats worked to provide \$1.4 billion in reinvestment and recovery funding for VA hospital and medical facility construction and improvements. The *American Recovery and Reinvestment Act of 2009* included \$1.4 billion for VA, with funding directed primarily for infrastructure repairs at existing Veterans Health Administration (VHA) hospitals and capital infrastructure needs at State VA long-term care facilities. Specifically, the bill provided: \$1 billion for nonrecurring maintenance for VA medical facilities; \$150 million in funding for grants and construction of state extended care facilities; \$50 million for information technology systems for the Veterans Benefits Administration (VBA); \$150 million for VBA to decrease waiting times for claims surge processors; and \$50 million for the National Cemetery Administration for monument and memorial repairs.

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

In the short five months since the opening 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
- ✓ Invest in health care, energy, and education
- ✓ Protect workers from pay discrimination
- ✓ Protect the American wilderness
- ✓ Provide health care for children in need
- ✓ Expand national service
- ✓ Combat mortgage and financial fraud
- ✓ Strengthen oversight of TARP

The House and Senate are **nearing completion of legislation** to:

- ✓ Strengthen the housing market and prevent unnecessary foreclosures
- ✓ Protect consumers from abusive credit card practices
- ✓ Reform military procurement to protect taxpayer dollars
- ✓ 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.

As we move forward in the 111th Congress, the American people can count on Senate Democrats to continue to work to advance their priorities, move the economy from recession to recovery, and get our nation back on the path to prosperity.

Democrats are Working to Restore the American People's Faith in Government

According to the Associated Press, since December 2008, the percentage of Americans who believe the country is headed in the right direction has increased 16 percentage points to 48 percent. The percentage of hopeful Americans has increased a whopping 31 percentage points since October 2008, a month before President Obama was elected and Democrats gained meaningful majorities in the House and Senate.

The American people's approval of Congress and the President has also increased. Nearly two-thirds of Americans believe President Obama is doing a good job, Congress's overall approval rating has increased by 14 percentage points since December, and far more Americans approve

of the Democratic approach to improving the economy than the Republican approach. (Associated Press-GfK Poll (April 16-20, 2009), available [here](#).)

Democrats are Working Strengthen the Economy and Reinvesting 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](#); [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.

When signed by President Obama, the legislation 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.

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

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* included 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 Improve and Expand Health Care

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) by a strong vote of 90-5. This bipartisan legislation would stop credit card companies from misleading their customers with hidden charges and confusing terms. Specifically, when enacted, 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

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.

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, Congress enacted final passage of 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. The legislation has been sent to the President's desk for signature. 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 would 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](#).

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 7, 2009, the Senate passed **S. 454**, the *Weapon Systems Acquisition Reform Act of 2009*. As Chairman **Levin** stated following the bill's approval, "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.”

Specifically, the bill 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 MDAPs 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 and quickly 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 bill would, 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.

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.

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 bill would 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* would 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 legislation would also increase the education award in AmeriCorps to match the Pell Grant award.

In the coming days, the House is expected to consider and pass **H.R. 1388**.

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