

# The American Recovery and Reinvestment Act, Conference Report (FINAL)

## PURPOSE (PG. 3)

1. To preserve and create jobs and promote economic recovery.
2. To assist those most impacted by the recession.
3. To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
4. To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
5. To stabilize State and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

## USE OF FUNDS (PG. 4)

GENERAL PRINCIPLES CONCERNING USE OF FUNDS.-The President and the heads of Federal departments and agencies shall manage and expend the funds made available in this Act so as to achieve the purposes specified in subsection (a), including commencing expenditures and activities as quickly as possible consistent with prudent management.

## FUNDING FOR TRAINING

- *Department of Energy*

### ELECTRICITY DELIVERY AND ENERGY RELIABILITY

For an additional amount for "Electricity Delivery and Energy Reliability," \$4,500,000,000: *Provided*, that funds shall be available for expenses necessary for electricity delivery and energy reliability activities to modernize to modernize the electric grid, to include demand responsive equipment, enhance security and reliability of the energy infrastructure, energy storage research, development, demonstration and deployment, and facilitate recovery from disruptions to the energy supply, and for implementation of programs authorized under title XIII of the Energy Independence and Security Act of 2007 (42 U.S.C. 17381 et seq.): ***Provided further, That \$100,000,000 shall be available for worker training activities...*** (pg. 60-61)  
[emphasis added]

- *Department of Labor*

EMPLOYMENT AND TRAINING ADMINISTRATION  
TRAINING AND EMPLOYMENT SERVICES<sup>1</sup>

For an additional amount for "Training and Employment Services" for activities under the Workforce Investment Act of 1998 ("WIA"), \$3,950,000,000, which shall be available for obligation on the date of enactment of this Act, as follows:

- (1) \$500,000,000 for grants to the States for adult employment and training activities, including supportive services and needs-related payments described in section 134(e)(2) and (3) of the WIA: *Provided*, That a priority use of these funds shall be services to individuals described in 134(d)(4)(E) of the WIA;
- (2) \$1,200,000,000 for grants to the States for youth activities, including summer employment for youth: *Provided*, That no portion of such funds shall be reserved to carry out section 127(b)(1)(A) of the WIA: *Provided further*, That for purposes of section 127(b)(1)(C)(iv) of the WIA, funds available for youth activities shall be allotted as if the total amount available for youth activities in the fiscal year does not exceed \$1,000,000,000: *Provided further*, That with respect to the youth activities provided with such funds, section 101(13)(A) of the WIA shall be applied by substituting "age 24" for "age 21": *Provided further*, That the work readiness performance indicator described in section 136(b)(2)(A)(ii)(I) of the WIA shall be the only measure of performance used to assess the effectiveness of summer employment for youth provided with such funds;
- (3) \$1,250,000,000 for grants to the States for dislocated worker employment and training activities;
- (4) \$200,000,000 for the dislocated workers assistance national reserve;
- (5) \$50,000,000 for YouthBuild activities: *Provided*, That for program years 2008 and 2009, the YouthBuild program may serve an individual who has dropped out of high school and re-enrolled in an alternative school, if that re-enrollment is part of a sequential service strategy; and
- (6) \$750,000,000 for a program of competitive grants for worker training and placement in high growth and emerging industry sectors: *Provided*, That \$500,000,000 shall be for research, labor exchange and job training projects that prepare workers for careers in energy efficiency and renewable energy as described in section 171(e)(1)(B) of the WIA: *Provided further*, That in awarding grants from those funds not designated in the preceding proviso, the Secretary of Labor shall give priority to projects that prepare workers for careers in the health care sector: *Provided*, That funds made available in this paragraph shall remain available through June 30, 2010: *Provided further*, That a local board may award a contract to an institution of higher education or other eligible training provider if the local board determines that it would facilitate the training of multiple individuals in high-demand occupations, if such contract does not limit customer choice. (pg. 146-148)

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<sup>1</sup> NOTE: the Joint Explanatory Statement accompanying the conference report instructs, "These funds [WIA formula funds] are to be allotted to States within 30 days of enactment. Since these funds will be made available during program year 2008, they shall remain available to the States only as long as the other funds allotted in that program year. The conferees intend for these funds to be spent quickly and effectively."

#### COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

For an additional amount for "Community Service Employment for Older Americans" to carry out title V of the Older Americans Act of 1965, \$120,000,000, which shall be available for obligation on the date of enactment of this Act and shall remain available through June 30, 2010: *Provided*, That funds shall be allotted within 30 days of such enactment to current grantees in proportion to their allotment in program year 2008: *Provided Further*, That funds made available under this heading in this Act may, in accordance with section 517(c) of the Older Americans Act of 1965, be recaptured and reobligated. (pg. 148-149)

#### STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For an additional amount for "State Unemployment Insurance and Employment Service Operations" for grants to States in accordance with section 6 of the Wagner-Peyser Act, \$400,000,000, which may be expended from the Employment Security Administration Account in the Unemployment Trust Fund, and which shall be available for obligation on the date of enactment of this Act: *Provided*, --That such funds shall remain available to the States through September 30, 2010: *Provided further*, That \$250,000,000 of such funds shall be used by States for reemployment services for unemployment insurance claimants (including the integrated Employment Service and Unemployment Insurance information technology required to identify and serve the needs of such claimants): *Provided further*, That the Secretary of Labor shall establish planning and reporting procedures necessary to provide oversight of funds used for reemployment services. (pg. 149)

#### OFFICE OF JOB CORPS

For an additional amount for "Office of Job Corps", \$250,000,000, for construction, rehabilitation and acquisition of Job Corps Centers, which shall be available upon the date of enactment of this Act and remain available for obligation through June 30, 2010: *Provided*, That section 1552(a) Of title 31, United States Code, shall not apply if funds are used for a multi-year lease agreement that will result in construction activities that can commence within 120 days of enactment of this Act: *Provided further*, That notwithstanding section 3324(a) of title 31, United States Code, the funds used for an agreement under the preceding proviso may be used for advance, progress, and other payments: *Provided further*, That the Secretary of Labor may transfer up to 15 percent of such funds to meet the operational needs of such centers, which may include training for careers in the energy efficiency, renewable energy, and environmental protection industries: *Provided further*, That the Secretary shall provide to the Committees on Appropriations of the House of Representatives and the Senate an operating plan describing the allocation of funds, and a report on the actual obligations, expenditures, and unobligated balances for each activity funded under this heading not later than September 30, 2009 and quarterly thereafter as long as funding provided under this heading is available for obligation or expenditure. (pg. 150-151)

- *General Services Administration (GSA)*

#### REAL PROPERTY ACTIVITIES

##### FEDERAL BUILDINGS FUND

For an additional amount to be deposited in the Federal Buildings Fund, \$5,550,000,000, to carry out the purposes of the Fund... *Provided further*, **That not to exceed \$3,000,000 of the funds provided shall be for on-the-job pre-apprenticeship and apprenticeship training**

**programs registered with the Department of Labor, for the construction, repair, and alteration of Federal buildings...** (pg. 88-89) [emphasis added]

- *Department of Health and Human Services*

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For an additional amount for "Health Resources and Services", \$2,500,000,000 which shall be used as follows...

\$500,000,000 to address health professions workforce shortages, of which \$75,000,000 for the National Health Service Corps shall remain available through September 30, 2011: *Provided*, That funds may be used to provide scholarships, loan repayment, and grants to training programs for equipment as authorized in the PHS Act, and grants authorized in sections 330L, 747, 767 and 768 of the PHS Act (pg. 152-153)

CHILDREN AND FAMILIES SERVICES PROGRAMS

For an additional amount for "Children and Families Services Programs", \$3,150,000,000, which shall be used as follows...

\$1,100,000,000 for expansion of Early Head Start programs, as described in section 645A of the Head Start Act: *Provided*, **That of the funds provided in this paragraph, up to 10 percent shall be available for the provision of training** and technical assistance to such programs consistent with section 645A(g)(2) of such Act... (pg. 161) [emphasis added]

- *Department of Transportation*

FEDERAL HIGHWAY ADMINISTRATION

HIGHWAY INFRASTRUCTURE INVESTMENT

For an additional amount for restoration, repair, construction and other activities eligible under paragraph (b) of section 133 of title 23, United States Code, and for passenger and freight rail transportation and port infrastructure projects eligible for assistance under subsection 601(a)(8) of such title, \$27,500,000,000, to remain available through September 30, 2010... *Provided further*, That of the funds made available under this heading, \$20,000,000 shall be for highway surface transportation and technology training under section 140(b) of title 23...

STUDENT FINANCIAL AID

STUDENT FINANCIAL ASSISTANCE

For an additional amount for "Student Financial Assistance" to carry out subpart 1 of part A and part C of title IV of the Higher Education Act of 1965 ("HEA"), \$15,840,000,000, which shall remain available through September 30, 2011: *Provided*, That \$15,640,000,000 shall be available for subpart 1 of part A of title IV of the HEA: *Provided further*, That \$200,000,000 shall be available for part C of title IV of the HEA.

The maximum Pell Grant for which a student shall be eligible during award year 2009-2010 shall be \$4,860. (pg. 173)

#### STUDENT AID ADMINISTRATION

For an additional amount for "Student Aid Administration" to carry out part D of title 1, and subparts 1, 3, and 4 of part A, and parts B, C, D, and E of title IV of the Higher Education Act of 1965, \$60,000,000. (pg. 173)

#### HIGHER EDUCATION

For an additional amount for "Higher Education" to carry out part A of title II of the Higher Education Act of 1965, \$100,000,000. (pg. 174)

#### MANDATORY PELL GRANTS

Section 401(b)(9)(A) Of the Higher Education Act of 1965 (20 U.S.C. 1070a(b)(9)(A)) is amended—

- (1) in clause (ii), by striking "\$2,090,000,000" and inserting "\$2,733,000,000"; and
- (2) in clause (iii), by striking "\$3,030,000,000" and inserting "\$3,861,000,000". (pg. 191)

#### HIGHER EDUCATION TAX CREDITS

##### **SEC. 1004. AMERICAN OPPORTUNITY TAX CREDIT.**

(a) IN GENERAL.—Section 25A (relating to Hope scholarship credit) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) AMERICAN OPPORTUNITY TAX CREDIT.—In the case of any taxable year beginning in 2009 or 2010—

"(1) INCREASE IN CREDIT.—The Hope Scholarship Credit shall be an amount equal to the sum of—

"(A) 100 percent of so much of the qualified tuition and related expenses paid by the taxpayer during the taxable year (for education furnished to the eligible student during any academic period beginning in such taxable year) as does not exceed \$2,000, plus

"(B) 25 percent of such expenses so paid as exceeds \$2,000 but does not exceed \$4,000.

"(2) CREDIT ALLOWED FOR FIRST 4 YEARS OF POST-SECONDARY EDUCATION.—Subparagraphs (A) and (C) of subsection (b)(2) shall be applied by substituting '4' for '2'.

"(3) QUALIFIED TUITION AND RELATED EXPENSES TO INCLUDE REQUIRED COURSE MATERIALS.—Subsection (f)(1)(A) shall be applied by substituting 'tuition, fees, and course materials' for 'tuition and fees'.

"(4) INCREASE IN AGI LIMITS FOR HOPE SCHOLARSHIP CREDIT.—In lieu of applying subsection (d) with respect to the Hope Scholarship Credit, such credit (determined without regard to this paragraph) shall be reduced (but not below zero) by the amount which bears the same ratio to such credit (as so determined) as—

"(A) the excess of—

"(i) the taxpayer's modified adjusted gross income (as defined in subsection (d)(3)) for such taxable year, over

"(ii) \$80,000 (\$160,000 in the case of a joint return), bears to

"(B) \$10,000 (\$20,000 in the case of a joint return).

"(5) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—In the case of a taxable year to which section 26 (a)(2) does not apply, so much of the credit allowed under subsection (a) as is attributable to the Hope Scholarship Credit shall not exceed the excess of—

"(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

"(B) the sum of the credits allowable under this subpart (other than this subsection and sections 23, 25D, and 30D) and section 27 for the taxable year.

Any reference in this section or section 24, 25, 26, 25B, 904, or 1400C to a credit allowable under this subsection shall be treated as a reference to so much of the credit allowable under subsection (a) as is attributable to the Hope Scholarship Credit.

"(6) PORTION OF CREDIT MADE REFUNDABLE.—40 percent of so much of the credit allowed under subsection (a) as is attributable to the Hope Scholarship Credit (determined after application of paragraph (4) and without regard to this paragraph and section 26(a)(2) or paragraph (5), as the case may be) shall be treated as a credit allowable under subpart C (and not allowed under subsection (a)). The preceding sentence shall not apply to any taxpayer for any taxable year if such taxpayer is a child to whom subsection (g) of section 1 applies for such taxable year...

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2008...

(1) STUDY REGARDING COORDINATION WITH NON-TAX STUDENT FINANCIAL ASSISTANCE.—The Secretary of the Treasury and the Secretary of Education, or their delegates, shall—

(A) study how to coordinate the credit allowed under section 25A of the Internal Revenue Code of 1986 with the Federal Pell Grant program under section 401 of the Higher Education Act of 1965 to maximize their effectiveness at promoting college affordability, and

(B) examine ways to expedite the delivery of the tax credit.

(2) STUDY REGARDING INCLUSION OF COMMUNITY SERVICE REQUIREMENTS.—The Secretary of the Treasury and the Secretary of Education, or their delegates, shall study the feasibility of requiring including community service as a condition of taking their tuition and related expenses into account under section 25A of the Internal Revenue Code of 1986.

(3) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury, or the Secretary's delegate, shall report to Congress on the results of the studies conducted under this paragraph.