

*Special Series: Economic Recovery Watch*

January 22, 2009

## HOUSE ECONOMIC RECOVERY PACKAGE: State-by-State Estimates of Key Provisions Affecting Low- and Moderate-Income Individuals

The House economic recovery package unveiled last week is designed to boost employment and the economy. It contains a number of spending and tax measures crafted to inject more aggregate demand into the sagging economy. This paper provides state-by-state estimates for most of the major spending and provisions that will affect low- and moderate-income Americans (some provisions cannot be allocated on a state-by-state basis). The Center will update this analysis as more information and details become available.

These provisions are among the most effective economic stimulus in the package. Low-income and unemployed families will spend benefits or tax refunds quickly to meet household expenses. The state fiscal relief will lessen the degree to which states will have to enact very painful budget cuts and tax increases, both of which have a negative effect on the economy. In addition, the measures included in the package will help avert severe hardship among low-income populations and preserve some needed state and local services.

The paper provides short descriptions and tables with estimated state-by-state impacts of several key provisions. For each of the following proposals there is a short description of the proposed policy and the methodology for CBPP's state-by-state estimates.

- Temporary Increase in State FMAP
- State Fiscal Stabilization Fund
- Education
- Unemployment Insurance
- Child Care
- Training and Employment Services
- Food Stamp (or Supplemental Nutrition Assistance) Program
- Supplemental Security Income
- Emergency Shelter Grant Program
- Child Tax Credit
- Making Work Pay Tax Credit

## Temporary Increase in State FMAP

The Energy and Commerce Committee section of the House economic recovery bill would provide a temporary increase in the share of the Medicaid program paid by the federal government (known as the Federal Medical Assistance Percentage or “FMAP”). The provision would take effect immediately and would provide states with approximately \$88 billion in assistance over nine calendar quarters (October 1, 2008 through December 31, 2010).

Rising unemployment and falling state tax revenues have put Medicaid programs across the country in a bind. Just as more people are becoming eligible for Medicaid and other publicly funded health programs, states are having increased difficulty meeting the surging need while also balancing their budgets. For more information see: “State Budget Troubles Worsen” at <http://www.cbpp.org/9-8-08sfp.htm> The temporary FMAP increase is designed to avoid steep increases in the ranks of the uninsured in the coming years by helping cash-strapped states.

There are three components to the policy. First, each state would receive a “base” 4.9 percentage point FMAP increase. Second, states that are experiencing particularly poor economic conditions, as indicated by a significant increase in unemployment, would receive a larger FMAP increase, of 8 percent, 12 percent, or 14 percent. Each state’s eligibility for a higher FMAP rate would be evaluated each quarter based on unemployment data, with states qualifying for the additional assistance if their economic situation worsens. (No state would lose this additional assistance if its unemployment dropped before July 1, 2010.) Third, each state would be “held harmless” from any drop in its FMAP rate that would otherwise occur under the regular FMAP formula as a result of an increase in its per capita income in years prior to the recession. (States with higher incomes have lower FMAP rates than states with lower incomes.)

To receive an increased FMAP under this proposal, a state may not have Medicaid eligibility levels that are more restrictive than were in effect on July 1, 2008. States whose current eligibility levels do not meet this test would still be eligible to qualify for an increased FMAP if they take action to restore eligibility to July 2008 levels.

The tables below provide estimates of the amount of assistance that each state would potentially receive, based on projections of future economic conditions. These estimates do not include the impact of the FMAP boost on foster care IV-E payments (which also use FMAP to allocate program costs between the federal and state governments), which will increase each state’s allocation by a small amount.

**Table 1: State by State Impact of the House Recovery Package  
Fiscal Relief for State Medicaid Costs**  
(Millions of dollars, total over States' FY2009-FY2011)

	<b>Additional Funding</b>
<b>U.S. Total</b>	<b>\$82,517.0</b>
Alabama	\$783.3
Alaska	\$246.3
Arizona	\$1,879.8
Arkansas	\$614.9
California	\$11,069.2
Colorado	\$855.6
Connecticut	\$1,207.2
Delaware	\$314.1
District of Columbia	\$288.2
Florida	\$4,255.1
Georgia	\$1,637.4
Hawaii	\$340.2
Idaho	\$276.9
Illinois	\$2,879.0
Indiana	\$1,201.6
Iowa	\$441.5
Kansas	\$388.5
Kentucky	\$922.2
Louisiana	\$1,552.1
Maine	\$434.4
Maryland	\$1,406.5
Massachusetts	\$2,636.6
Michigan	\$2,229.3
Minnesota	\$1,892.2
Mississippi	\$697.5
Missouri	\$1,494.6
Montana	\$174.1
Nebraska	\$243.8
Nevada	\$440.9
New Hampshire	\$231.7
New Jersey	\$2,135.1
New Mexico	\$528.5
New York	\$12,452.0
North Carolina	\$2,267.0
North Dakota	\$90.5
Ohio	\$2,826.9
Oklahoma	\$860.0
Oregon	\$802.6
Pennsylvania	\$3,974.9
Rhode Island	\$454.1
South Carolina	\$732.5
South Dakota	\$96.7
Tennessee	\$1,480.5
Texas	\$5,115.2
Utah	\$293.5
Vermont	\$254.1
Virginia	\$1,423.2
Washington	\$1,985.6
West Virginia	\$382.3
Wisconsin	\$1,093.4
Wyoming	\$102.3
Puerto Rico	\$120.0

## State Fiscal Stabilization Fund

Similar to the increase in state FMAP, the House economic recovery bill would create a \$79-billion “State Fiscal Stabilization Fund” to help state and local governments fund education and other key services. When states cut spending, they lay off employees, cancel contracts with vendors, reduce payments to businesses and nonprofits that provide services, and cut benefit payments to individuals. *All* of these steps remove demand from the economy, which only worsens a downturn. Federal assistance can lessen the extent to which states take these harmful, “pro-cyclical” actions and the extent to which vulnerable populations are hurt by state budget cuts.

About \$64 billion of the state fiscal stabilization fund would be distributed through two block grants allocated by population formulas. The larger block grant would provide about \$38.8 billion over two years, allocated by each state’s population of individuals between the ages of 5 and 24. Funds in this block grant would be earmarked for education: the money must be used first to restore state education cuts up to at least the FY2008 funding level with any remainder sent to local school districts to increase spending for disadvantaged students via the Title I education program. The smaller block grant would provide \$24.8 billion over 2 years, allocated based on each state’s total population, to support other state services.

Both block grants would be provided in two equal installments, the first beginning in July 2009 and the second beginning in July 2010. In order to receive either block grant, states would be required to fund education at no less than the FY06 level in both FY09 and FY10.

While they are not included in the table, the House package would also provide \$15 billion for “State Incentive Grants” and small amounts for territories and administration. States would have to apply for the incentive grants and show they have made progress on initiatives such as improving the distribution of teachers between high poverty and low-poverty schools or establishing longitudinal data systems; half of any incentive grant would have to be passed through to local governments.

The table below provides an estimate of the state-by-state allocations of the two block grants.

**Table 2: State by State Impact of the House Recovery Package  
State Fiscal Stabilization Fund**  
(Millions of dollars, total allocated over FY2009-FY2010)

	<b>Portion Allocated Based on School-Age (5-24) Population</b>	<b>Portion Allocated Based on Total Population</b>
<b>U.S. Total</b>	<b>\$38,783.8</b>	<b>\$24,796.2</b>
Alabama	\$584.0	\$375.3
Alaska	\$94.4	\$55.2
Arizona	\$814.9	\$523.3
Arkansas	\$354.2	\$229.9
California	\$4,883.9	\$2,959.0
Colorado	\$602.7	\$397.6
Connecticut	\$431.2	\$281.9
Delaware	\$107.2	\$70.3
District of Columbia	\$70.0	\$47.6
Florida	\$2,077.7	\$1,475.5
Georgia	\$1,248.4	\$779.7
Hawaii	\$149.2	\$103.7
Idaho	\$201.8	\$122.7
Illinois	\$1,665.7	\$1,038.6
Indiana	\$811.6	\$513.4
Iowa	\$379.8	\$241.7
Kansas	\$365.5	\$225.6
Kentucky	\$513.4	\$343.7
Louisiana	\$577.3	\$355.1
Maine	\$148.6	\$106.0
Maryland	\$704.2	\$453.5
Massachusetts	\$785.2	\$523.1
Michigan	\$1,289.7	\$805.3
Minnesota	\$654.1	\$420.3
Mississippi	\$394.1	\$236.6
Missouri	\$735.7	\$475.9
Montana	\$117.8	\$77.9
Nebraska	\$232.8	\$143.6
Nevada	\$312.5	\$209.3
New Hampshire	\$158.3	\$105.9
New Jersey	\$1,051.8	\$699.0
New Mexico	\$259.2	\$159.7
New York	\$2,402.0	\$1,569.0
North Carolina	\$1,126.7	\$742.4
North Dakota	\$86.1	\$51.6
Ohio	\$1,429.9	\$924.7
Oklahoma	\$467.4	\$293.2
Oregon	\$445.3	\$305.1
Pennsylvania	\$1,505.4	\$1,002.1
Rhode Island	\$132.4	\$84.6
South Carolina	\$552.7	\$360.6
South Dakota	\$103.0	\$64.7
Tennessee	\$746.6	\$500.3
Texas	\$3,270.1	\$1,958.4
Utah	\$411.2	\$220.3
Vermont	\$74.1	\$50.0
Virginia	\$957.2	\$625.4
Washington	\$791.8	\$527.2
West Virginia	\$204.6	\$146.1
Wisconsin	\$700.9	\$453.1
Wyoming	\$65.9	\$42.9
Puerto Rico	\$533.8	\$318.3

## Education

The House economic recovery package would provide \$41 billion to local school districts through several existing education programs. Unless otherwise noted, we assume that each state would receive the same share of the additional funds provided in the recovery package as they do under the regular program.

- Title I (\$13 billion): \$11 billion would be allocated as Title I-A formula grants; \$2 billion would be allocated as school improvement formula grants.
- IDEA (\$13.6 billion): \$13 billion would be allocated to states as Individuals with Disabilities Education Act (IDEA) formula grants; \$600 million would be allocated for the grant program within IDEA, aimed at infant and toddlers.
- School Modernization (\$14 billion): One percent of this amount would be reserved for the outlying areas and Indian Bureau-funded schools and \$6 million would be reserved for the Secretary; the remaining funds would be granted to states, DC, and Puerto Rico in proportion to FY08 Title I-A grants. States could keep 1 percent of this amount but must use the rest to make suballocations to local educational agencies (LEAs) based on each LEA's proportion of total state FY08 Title I-A grants allocated to LEAs in that state. The minimum grant to LEAs is \$5,000.
- Higher education modernization (\$6 billion): After reserving \$6 million for the Secretary, funds would be allocated to state higher education agencies based on the proportion of full-time undergraduate students attending institutions of higher education in each state for the most recent fiscal year for which data are available, relative to the total number of full-time undergraduate students attending institutions of higher education in all states. State higher education agencies would award subgrants to institutions of higher education based on the demonstrated need of each institution for facility modernization, renovation, and repair. For the purposes of estimating the number of undergraduate students by state, we used 2005 data from the Digest of Education Statistics, Higher Education, 2007 Report, Ch. 3, Table 212.

**Table 3: State by State Impact of the House Recovery Package  
Additional Funding for Education**  
(Millions of dollars, total allocated over FY2009-FY2010)

	<b>Title I</b>	<b>IDEA</b>	<b>School Modernization</b>	<b>Higher Education Modernization</b>
<b>U.S. Total</b>	<b>\$13,000.0</b>	<b>\$13,600.0</b>	<b>\$14,000.0</b>	<b>\$6,000.0</b>
Alabama	\$202.7	\$213.4	\$216.7	\$90.5
Alaska	\$37.4	\$42.9	\$39.1	\$8.9
Arizona	\$250.0	\$216.8	\$276.7	\$188.4
Arkansas	\$137.5	\$134.7	\$145.3	\$50.1
California	\$1,581.8	\$1,441.1	\$1,710.9	\$730.6
Colorado	\$128.9	\$181.4	\$136.4	\$100.7
Connecticut	\$103.3	\$157.3	\$116.4	\$60.2
Delaware	\$36.0	\$40.1	\$38.7	\$17.9
District of Columbia	\$44.5	\$19.6	\$47.6	\$35.4
Florida	\$631.8	\$737.7	\$660.9	\$284.2
Georgia	\$419.7	\$381.7	\$449.5	\$150.1
Hawaii	\$42.5	\$46.5	\$44.7	\$22.3
Idaho	\$44.8	\$64.8	\$47.0	\$28.0
Illinois	\$531.3	\$597.7	\$598.2	\$273.0
Indiana	\$228.2	\$301.8	\$248.9	\$131.0
Iowa	\$67.9	\$143.7	\$73.2	\$79.6
Kansas	\$91.0	\$127.1	\$96.0	\$63.4
Kentucky	\$196.8	\$193.7	\$210.0	\$83.4
Louisiana	\$279.5	\$223.2	\$296.9	\$74.4
Maine	\$49.0	\$65.5	\$51.9	\$22.5
Maryland	\$178.5	\$235.8	\$193.6	\$99.2
Massachusetts	\$216.5	\$335.0	\$235.0	\$159.8
Michigan	\$496.7	\$470.5	\$531.0	\$206.0
Minnesota	\$118.3	\$225.3	\$127.8	\$124.4
Mississippi	\$174.8	\$140.6	\$188.7	\$57.4
Missouri	\$211.5	\$265.1	\$226.8	\$126.1
Montana	\$41.0	\$43.6	\$43.9	\$18.0
Nebraska	\$57.7	\$87.6	\$60.7	\$42.5
Nevada	\$77.5	\$81.9	\$81.3	\$33.8
New Hampshire	\$35.8	\$55.9	\$38.5	\$25.0
New Jersey	\$265.7	\$424.7	\$288.8	\$127.0
New Mexico	\$106.4	\$107.6	\$114.0	\$40.8
New York	\$1,122.4	\$907.4	\$1,235.5	\$420.2
North Carolina	\$342.2	\$384.8	\$361.1	\$166.2
North Dakota	\$31.6	\$32.3	\$34.0	\$18.8
Ohio	\$478.6	\$512.3	\$515.4	\$219.6
Oklahoma	\$140.4	\$172.2	\$149.5	\$72.5
Oregon	\$134.0	\$151.2	\$141.0	\$66.9
Pennsylvania	\$531.1	\$502.7	\$569.5	\$256.7
Rhode Island	\$48.3	\$51.8	\$53.4	\$30.1
South Carolina	\$194.5	\$208.4	\$207.1	\$74.6
South Dakota	\$39.0	\$39.2	\$41.8	\$17.5
Tennessee	\$228.4	\$273.3	\$240.8	\$104.5
Texas	\$1,220.3	\$1,131.7	\$1,308.6	\$398.8
Utah	\$56.2	\$128.8	\$60.4	\$68.2
Vermont	\$30.8	\$31.2	\$33.1	\$14.8
Virginia	\$214.7	\$331.3	\$227.7	\$147.5
Washington	\$181.0	\$261.9	\$193.2	\$117.5
West Virginia	\$93.8	\$91.0	\$100.3	\$37.4
Wisconsin	\$178.7	\$249.2	\$200.4	\$115.7
Wyoming	\$29.6	\$33.0	\$31.7	\$11.3

## **Unemployment Insurance**

The House recovery package includes federal funding for a \$25 per week increase in unemployment benefits. It also would extend the deadline to qualify for the Emergency Unemployment Compensation extensions through December 31, 2009.

The National Employment Law Project has estimated the number of people that will benefit from these two provisions. These estimates can be found here:

<http://www.nelp.org/page/-/UI/RecoveryPlanEstimates.pdf>

The recovery package also includes the provisions in the Unemployment Insurance Modernization Act (UIMA). Those provisions would provide financial incentives to states to adopt reforms to their Unemployment Insurance programs that would make the program accessible to more low-wage workers and part-time workers. (The recovery package also includes \$500 million in new funding to help states address the administrative demands of fielding claims from the growing number of workers applying for benefits.) State-by-state estimates of the number of workers who would benefit from UIMA are not available at this time.

## **Child Care**

The House package would provide an additional \$2 billion over the next two years in child care funding under the Child Care and Development Block Grant (CCDBG). CCDBG provides funding to states to subsidize child care for children in low-income working families and low-income families in which parents are engaged in education or training programs.

Currently, only a minority of children eligible for child care assistance receive any help paying for child care because of program funding constraints. During a recession, the need for child care assistance will remain high. Some employed parents who used to be able to afford child care will need help when their hours and earnings fall. Parents who are out of work but are going to school or are engaged in training programs to retool their skills also will need help paying for child care. And many parents who lose neither jobs nor income will still struggle to pay the high cost of child care.

The Center for Law and Social Policy has estimated the funding each state would receive from this provision in 2009 and 2010 (the bill provides \$1 billion in each year) and the average monthly number of children the state would be able to serve with those additional resources. That analysis can be found at:

<http://www.clasp.org/ChildCareAndEarlyEducation/2DollarBillHouseAppropsCtte.pdf>.

## Training and Employment Services

The Workforce Investment Act (WIA) provides funds to localities for job training and employment services for dislocated workers, youth, and adults.

The House recovery package would provide \$4 billion for WIA training and employment services, including \$1.2 billion for youth activities, \$1 billion for dislocated workers, and \$500 million for adult activities. These funds would be distributed according to the underlying formulas for these programs. The remaining \$1.3 billion — \$500 million for the dislocated workers assistance national reserve, \$50 million for the YouthBuild program, and \$750 million in competitive grants for worker training and placement in high growth and emerging industry sectors — would not be distributed in the same manner as formula grants and, thus, is not included in this table.

This table provides estimates of the state-by-state distribution of the WIA formula funding provided for adult, dislocated worker, and youth services grants. The estimates are calculated by multiplying the national funding level provided for each grant by each state's share of funding for that grant in 2008, according to the Department of Labor's Employment and Training Administration. For example, if a state received 3 percent of total dislocated worker training funding in 2008, this analysis assumes the state would receive 3 percent of the national funding provided for dislocated worker training grants in the recovery package.

**Table 4: State by State Impact of the House Recovery Package  
Additional Funding in Worker Training & Employment Services**  
(Millions of dollars, total allocated in FY2009)

	<b>Youth Services</b>	<b>Dislocated Workers</b>	<b>Adult Activities</b>
<b>U.S. Total</b>	<b>\$1,200.0</b>	<b>\$1,000.0</b>	<b>\$500.0</b>
Alabama	\$13.9	\$8.2	\$6.0
Alaska	\$4.7	\$5.6	\$2.0
Arizona	\$21.2	\$10.3	\$9.0
Arkansas	\$14.4	\$12.1	\$6.0
California	\$181.1	\$151.0	\$77.3
Colorado	\$14.1	\$9.9	\$5.6
Connecticut	\$10.2	\$8.1	\$4.0
Delaware	\$3.1	\$1.7	\$1.3
District of Columbia	\$4.7	\$4.5	\$1.8
Florida	\$35.3	\$28.2	\$15.9
Georgia	\$27.9	\$21.5	\$11.5
Hawaii	\$3.3	\$1.4	\$1.4
Idaho	\$3.2	\$1.8	\$1.3
Illinois	\$56.8	\$42.0	\$23.3
Indiana	\$28.2	\$21.1	\$11.1
Iowa	\$5.6	\$5.3	\$1.8
Kansas	\$8.5	\$6.0	\$3.2
Kentucky	\$20.1	\$24.4	\$9.2
Louisiana	\$23.8	\$8.7	\$10.2
Maine	\$4.5	\$3.3	\$1.9
Maryland	\$13.8	\$11.3	\$5.8
Massachusetts	\$29.6	\$25.6	\$11.9
Michigan	\$79.8	\$117.4	\$33.0
Minnesota	\$15.1	\$11.6	\$5.7
Mississippi	\$21.4	\$24.6	\$8.8
Missouri	\$27.1	\$22.8	\$11.1
Montana	\$3.1	\$1.4	\$1.3
Nebraska	\$3.5	\$2.9	\$1.3
Nevada	\$6.2	\$5.2	\$2.8
New Hampshire	\$3.1	\$2.5	\$1.3
New Jersey	\$22.4	\$21.4	\$10.0
New Mexico	\$7.4	\$3.3	\$3.1
New York	\$75.3	\$45.6	\$32.8
North Carolina	\$26.3	\$30.3	\$10.8
North Dakota	\$3.1	\$1.1	\$1.3
Ohio	\$66.9	\$71.7	\$27.5
Oklahoma	\$10.4	\$6.6	\$4.3
Oregon	\$17.9	\$18.4	\$7.5
Pennsylvania	\$45.1	\$29.6	\$18.2
Rhode Island	\$4.6	\$4.1	\$1.7
South Carolina	\$29.4	\$34.0	\$12.3
South Dakota	\$3.1	\$1.3	\$1.3
Tennessee	\$27.1	\$16.9	\$11.6
Texas	\$97.6	\$51.7	\$40.4
Utah	\$6.0	\$2.8	\$2.1
Vermont	\$3.1	\$1.3	\$1.3
Virginia	\$13.0	\$11.4	\$5.2
Washington	\$27.9	\$19.9	\$11.4
West Virginia	\$6.4	\$4.7	\$2.8
Wisconsin	\$16.4	\$23.1	\$6.1
Wyoming	\$3.1	\$0.8	\$1.3

## **Food Stamp (or Supplemental Nutrition Assistance) Program**

The House economic recovery package includes \$20 billion for the Food Stamp Program (recently renamed the Supplemental Nutrition Assistance Program). Most of this amount (about \$19 billion) would be used to fund a 13.6 percent increase to maximum food stamp benefits, which would go into effect in April 2009 if the bill is enacted in February. (There would be smaller increases in subsequent years as the provision phases out.) All food stamp households — currently about 14 million households containing more than 30 million individuals — would benefit from the increase.

Food stamps are one of the most effective forms of economic stimulus because low-income individuals generally spend their available resources on meeting their daily needs, such as shelter, food, and transportation. Therefore, every dollar in food stamps that a low-income family receives enables the family to spend an additional dollar on food or other items. USDA research has found that \$1 in food stamps generates \$1.84 in total economic activity. Mark Zandi of Moody's Economy.com estimates a similar multiplier (\$1.73 for every additional \$1 in food stamp expenditures), the highest of the various spending and tax measures he evaluated. For more information see: "New Zandi Analysis Finds Rebates More Effective as Stimulus if They Include Lower-Income Workers" at <http://www.cbpp.org/1-22-08bud.htm>.

The package also would provide \$296 million in administrative funds to states to implement the change and help manage rising caseloads during the recession (another \$4.5 million would go to USDA for administrative costs), suspend for 18 months the three-month time limit on assistance that many unemployed childless adults face, and provide a comparable increase for the food assistance block grant for Puerto Rico and American Samoa.

The attached tables present the estimated state-by-state impacts of three of the House provisions: the 13.6 percent benefit increase, the increase for the Puerto Rico/American Samoa block grant, and the state administrative funds. Because all food stamp recipients would benefit from the increase, the number of individuals is based on food stamp participation for October 2008, the most recent month for which data are available (with downward adjustments to remove disaster benefits in Texas from Hurricane Ike). If food stamp participation continues to rise, the number of people helped also will grow. The distribution of dollars is based on Congressional Budget Office cost estimates and 2006 food stamp administrative data. We assume that the bill will help households that receive the minimum benefit or participate in Combined Application Projects (CAPs). Administrative funds are allocated, as the House bill requires, based on food stamp caseloads over the July 2007 to June 2008 period.

Sources: USDA, Economic Research Service, "Effects of Changes in Food Stamp Expenditures Across the U.S. Economy" by Kenneth Hanson and Elise Golan, August 2002. Mark Zandi, "The Economic Impact of the American Recovery and Reinvestment Act," January 21, 2009.

Table 5: State by State Impact of the House Recovery Package

**Food Stamps**

(Millions of dollars, total over FY2009-FY2013)

	<b>Increase in Food Stamp Benefits</b>	<b>Participants Receiving Stimulus</b>	<b>Food Stamp Administration</b>
<b>U.S. Total</b>	<b>\$19,259</b>	<b>30,700,000</b>	<b>\$295.5</b>
Alabama	\$389	614,000	\$6.0
Alaska	\$36	50,000	\$0.6
Arizona	\$381	707,000	\$6.4
Arkansas	\$269	381,000	\$4.0
California	\$1,466	2,399,000	\$23.1
Colorado	\$181	273,000	\$2.7
Connecticut	\$152	238,000	\$2.4
Delaware	\$46	81,000	\$0.8
District of Columbia	\$63	98,000	\$0.9
Florida	\$879	1,676,000	\$14.8
Georgia	\$666	1,139,000	\$10.6
Hawaii	\$66	105,000	\$1.0
Idaho	\$65	112,000	\$1.0
Illinois	\$890	1,424,000	\$13.8
Indiana	\$409	740,000	\$6.5
Iowa	\$161	276,000	\$2.7
Kansas	\$127	196,000	\$2.0
Kentucky	\$427	664,000	\$6.7
Louisiana	\$461	702,000	\$7.1
Maine	\$114	184,000	\$1.8
Maryland	\$219	403,000	\$3.7
Massachusetts	\$317	563,000	\$5.2
Michigan	\$800	1,304,000	\$13.3
Minnesota	\$175	306,000	\$3.1
Mississippi	\$296	472,000	\$4.7
Missouri	\$562	949,000	\$9.3
Montana	\$57	82,000	\$0.9
Nebraska	\$83	121,000	\$1.3
Nevada	\$84	163,000	\$1.5
New Hampshire	\$38	68,000	\$0.7
New Jersey	\$297	462,000	\$4.6
New Mexico	\$172	258,000	\$2.5
New York	\$1,289	2,114,000	\$20.0
North Carolina	\$616	1,031,000	\$9.9
North Dakota	\$30	49,000	\$0.5
Ohio	\$756	1,209,000	\$12.1
Oklahoma	\$302	435,000	\$4.5
Oregon	\$307	507,000	\$4.9
Pennsylvania	\$779	1,235,000	\$12.6
Rhode Island	\$52	90,000	\$0.9
South Carolina	\$383	637,000	\$6.2
South Dakota	\$42	65,000	\$0.7
Tennessee	\$608	977,000	\$9.6
Texas	\$1,812	2,867,000	\$26.3
Utah	\$94	154,000	\$1.4
Vermont	\$34	60,000	\$0.6
Virginia	\$355	582,000	\$5.7
Washington	\$392	634,000	\$6.1
West Virginia	\$187	285,000	\$2.9
Wisconsin	\$246	469,000	\$4.4
Wyoming	\$17	23,000	\$0.2
Guam	\$18	29,000	\$0.3
Virgin Islands	\$9	14,000	\$0.1
Puerto Rico	\$579	N/A	N/A

## Supplemental Security Income

The Supplemental Security Income (SSI) program provides basic income support to poor elderly individuals and people with disabilities. The maximum monthly benefit for individuals receiving SSI is \$674, about three-quarters of the poverty line.

Under the House package, SSI recipients would receive a one-time payment equal to the average SSI benefit, about \$450 for individuals and \$630 for married couples. The payment would be provided in 2009.

Because the beneficiaries of this payment have very low incomes, they are likely to spend the additional payment quickly, thereby providing effective stimulus. The payment also would help individuals who may be facing hard times during the recession due to a decline in the value of their savings, a loss in state-funded services (such as adult day care and meal programs) due to state budget cuts, and a decline in financial support and in-kind assistance from family members who themselves are facing difficult economic times.

This table shows the number of SSI recipients in each state in December 2007, the latest year for which data are available. Since all SSI recipients would receive the additional payment, this represents the best available estimate of the number of individuals who would be affected by this provision in each state. The table also provides an estimate of the state-by-state distribution of the total additional benefits received by SSI recipients under the House recovery package.

The level of SSI benefits received by residents in each state is computed by distributing the total cost of the provision (as estimated by the Congressional Budget Office) across states in proportion to the distribution of SSI recipients. For example, if a state had 3 percent of total SSI recipients in December 2007, this analysis assumes that the state would receive 3 percent of the total estimated additional SSI benefits provided under in the recovery package.

**Table 6: State by State Impact of the House Recovery Package  
Supplemental Security Income (SSI)**  
(Millions of dollars, total over FY2009)

	<b>Additional Funding</b>	<b>Number of People that Will Benefit from Additional Funding</b>
<b>U.S. Total</b>	<b>\$4,200.0</b>	<b>7,359,000</b>
Alabama	\$94.4	165,400
Alaska	\$6.5	11,500
Arizona	\$57.6	101,000
Arkansas	\$54.6	95,600
California	\$710.7	1,245,400
Colorado	\$33.4	58,600
Connecticut	\$31.0	54,300
Delaware	\$8.3	14,500
District of Columbia	\$12.5	22,000
Florida	\$246.4	431,800
Georgia	\$118.8	208,200
Hawaii	\$13.3	23,300
Idaho	\$13.5	23,700
Illinois	\$149.5	262,000
Indiana	\$59.6	104,500
Iowa	\$25.5	44,700
Kansas	\$23.1	40,400
Kentucky	\$105.1	184,200
Louisiana	\$92.9	162,800
Maine	\$19.0	33,300
Maryland	\$55.9	98,000
Massachusetts	\$101.9	178,600
Michigan	\$130.1	228,000
Minnesota	\$44.7	78,400
Mississippi	\$70.0	122,700
Missouri	\$69.6	121,900
Montana	\$8.9	15,600
Nebraska	\$13.1	23,000
Nevada	\$20.5	35,900
New Hampshire	\$8.6	15,200
New Jersey	\$89.1	156,200
New Mexico	\$32.2	56,400
New York	\$369.5	647,500
North Carolina	\$117.4	205,700
North Dakota	\$4.6	8,000
Ohio	\$147.2	257,900
Oklahoma	\$48.6	85,200
Oregon	\$36.6	64,200
Pennsylvania	\$190.5	333,800
Rhode Island	\$17.7	31,100
South Carolina	\$60.3	105,700
South Dakota	\$7.4	13,000
Tennessee	\$93.2	163,300
Texas	\$310.9	544,800
Utah	\$14.0	24,500
Vermont	\$7.9	13,900
Virginia	\$80.3	140,700
Washington	\$69.4	121,700
West Virginia	\$45.1	79,000
Wisconsin	\$54.8	96,100
Wyoming	\$3.3	5,800

## Emergency Shelter Grant Program

The Emergency Shelter Grant (ESG) program, administered by HUD, provides formula grants to states and localities that may be used for homelessness prevention, emergency shelters, and street outreach. Twenty-five percent of the funds go to states; the rest go to localities.

The House recovery package would provide an additional \$1.5 billion for ESG for use only for homelessness prevention activities (not for emergency shelters). The funds could be used for short-term or medium-term rental assistance, housing stabilization services, and housing relocation assistance, including security or utility deposits and moving costs.

The funding could help some families avert homelessness by providing them with help to pay for a few months of overdue rent or utility bills or the costs of moving into a new apartment. Relocation funds could help families meet the one-time costs associated with getting settled in new housing after being displaced by foreclosure, including many renters who are left without housing when the property in which they live is foreclosed upon. These funds would be spent quickly, boosting local economies and improving cash-flow for rental property owners, which are typically small businesses.

This table shows the estimated amount of additional ESG funds each state (including localities within a state) would receive under the House package and the estimated number of families assisted with such funds. Using the 2008 ESG awards as provided on the HUD website, we calculated the percentage of total 2008 funds allocated to each state. We then applied those percentages to the \$1.5 billion provided in the House package to get the dollar figures. To estimate the number of households assisted, we assumed that the national average ESG cost per household assisted would be \$5,000, and weighted this estimate by the average HUD Fair Market Rent for the state.

2008 ESG awards: <http://www.hud.gov/offices/cpd/about/budget/budget08/index.cfm>  
FMRs: NLIHC's Out-of-Reach 2007-2008 <http://www.nlihc.org/oor/oor2008/>

**Table 7: State by State Impact of the House Recovery Package  
Emergency Shelter Grant Program**  
(Millions of dollars, total allocated in FY2009)

	<b>Additional Funding</b>	<b>Estimated number of households assisted by new funds</b>
<b>U.S. Total</b>	<b>\$1,500.0</b>	<b>299,400</b>
Alabama	\$20.1	5,600
Alaska	\$1.9	300
Arizona	\$22.1	4,400
Arkansas	\$11.2	3,100
California	\$190.7	25,200
Colorado	\$15.6	3,100
Connecticut	\$17.0	2,600
Delaware	\$2.9	600
District of Columbia	\$7.6	900
Florida	\$65.7	11,500
Georgia	\$33.6	7,600
Hawaii	\$6.2	700
Idaho	\$5.0	1,300
Illinois	\$71.5	14,000
Indiana	\$28.7	7,000
Iowa	\$16.8	4,500
Kansas	\$11.4	3,000
Kentucky	\$18.6	5,000
Louisiana	\$25.4	5,600
Maine	\$8.1	1,700
Maryland	\$22.7	3,400
Massachusetts	\$44.8	6,200
Michigan	\$53.8	12,000
Minnesota	\$23.7	5,100
Mississippi	\$14.4	3,800
Missouri	\$27.5	7,000
Montana	\$3.8	1,000
Nebraska	\$7.9	2,100
Nevada	\$8.3	1,400
New Hampshire	\$5.4	900
New Jersey	\$41.2	5,900
New Mexico	\$8.6	2,200
New York	\$142.6	19,600
North Carolina	\$29.1	7,000
North Dakota	\$2.6	800
Ohio	\$66.1	16,000
Oklahoma	\$12.4	3,400
Oregon	\$15.0	3,400
Pennsylvania	\$90.6	19,800
Rhode Island	\$7.0	1,100
South Carolina	\$15.9	3,900
South Dakota	\$3.3	900
Tennessee	\$20.4	5,200
Texas	\$104.1	22,000
Utah	\$8.4	2,000
Vermont	\$3.4	700
Virginia	\$25.0	4,400
Washington	\$25.1	5,000
West Virginia	\$10.2	3,000
Wisconsin	\$27.3	6,300
Wyoming	\$1.7	500
Puerto Rico	\$45.2	15,800

## Child Tax Credit

The Child Tax Credit provides a partially-refundable federal income tax credit of up to \$1,000 per child (under 17) to help offset the costs of raising a child. The House recovery package temporarily expands the Child Tax Credit by lowering the eligibility level, called the "refundability threshold," to make the credit available to all *working* tax filers with children. Families without earnings would not qualify for a credit, even a partial credit, under the House provision.

Under current law, the credit is available only to those with earnings of \$8,500 or more in tax year 2008 and \$12,550 in tax year 2009. Families with earnings just above the threshold qualify for a very small credit, because the credit "phases in" as earnings rise above the threshold level. Under the House package, the threshold would be set to \$0. Even under this provision a family with two children would not qualify for the full Child Tax Credit unless it had earnings equal to at least \$13,333. (A family with earnings at this level would only qualify for a \$117 credit if the threshold were set at \$12,550.)

The Joint Committee on Taxation estimates that the 2-year Child Tax Credit provision would cost \$18.3 billion as compared to current law (in which the threshold would equal \$12,550 and slightly more than that in 2010).

The assistance provided under this provision can be expected to provide especially effective stimulus because it is exceptionally well targeted to the lowest-income families who are most likely to spend the money. The Tax Policy Center has estimated that more than 73 percent of the benefits of the provision would go to the bottom one-fifth of Americans, and 97 percent would go to the bottom two-fifths.

The state figures shown here represent the number of children younger than 17 expected to receive help under the provision (that is, to start receiving the credit for the first time or to receive more help from the credit than they would have received had the threshold remained at \$8,500). The figures are national estimates from the Tax Policy Center, allocated by state by the Center using Census Bureau data. To allocate the TPC figures, the Center used data from the March 2005, March 2006, and March 2007 Current Population Survey to simulate families' taxes, first assuming a refundability threshold of \$8,500 for the Child Tax Credit and then lowering the threshold to \$0. We used these figures to estimate each state's share of children benefiting from the CTC provision. Three years of Census data were used to improve the reliability of the state estimates.

The margin of error shown in the table reflects the fact that the data are based on a sample of households. There is approximately a 90 percent likelihood that an estimate based on all households in the state, rather than a sample, would equal the number shown plus or minus the margin of error.

**Table 8: State by State Impact of the House Recovery Package  
Number of Children Benefiting from Child Tax Credit Provision  
(For tax year 2009)**

	<b>Number of Children Helped</b>	<b>Margin of Error</b>
<b>U.S. Total</b>	<b>15,500,000</b>	<b>±303,000</b>
Alabama	258,000	±43,000
Alaska	33,000	±7,000
Arizona	375,000	±60,000
Arkansas	193,000	±30,000
California	2,075,000	±144,000
Colorado	217,000	±46,000
Connecticut	119,000	±28,000
Delaware	34,000	±8,000
District of Columbia	36,000	±6,000
Florida	816,000	±86,000
Georgia	530,000	±64,000
Hawaii	50,000	±11,000
Idaho	85,000	±16,000
Illinois	638,000	±72,000
Indiana	319,000	±50,000
Iowa	158,000	±29,000
Kansas	151,000	±28,000
Kentucky	262,000	±43,000
Louisiana	305,000	±46,000
Maine	51,000	±13,000
Maryland	186,000	±40,000
Massachusetts	184,000	±40,000
Michigan	496,000	±61,000
Minnesota	180,000	±38,000
Mississippi	210,000	±31,000
Missouri	326,000	±49,000
Montana	51,000	±10,000
Nebraska	74,000	±17,000
Nevada	106,000	±25,000
New Hampshire	33,000	±10,000
New Jersey	279,000	±51,000
New Mexico	144,000	±24,000
New York	930,000	±89,000
North Carolina	484,000	±62,000
North Dakota	28,000	±6,000
Ohio	623,000	±67,000
Oklahoma	185,000	±37,000
Oregon	191,000	±39,000
Pennsylvania	567,000	±67,000
Rhode Island	48,000	±10,000
South Carolina	244,000	±43,000
South Dakota	35,000	±7,000
Tennessee	353,000	±51,000
Texas	1,701,000	±125,000
Utah	153,000	±25,000
Vermont	19,000	±5,000
Virginia	269,000	±49,000
Washington	246,000	±47,000
West Virginia	91,000	±17,000
Wisconsin	286,000	±46,000
Wyoming	23,000	±5,000

## **Making Work Pay Tax Credit**

The centerpiece of the tax relief package in the House economic recovery package is a new Making Work Pay Credit of up to \$500 per worker. The credit would phase in at the same rate as Social Security taxes and be available to all workers not claimed as another taxpayer's dependent. Some families helped by the Making Work Pay Credit — those with children and low or moderate incomes -- would receive additional help under the House plan through expansions in the Earned Income Tax Credit and Child Tax Credit. The Center has estimated the number of people that will benefit from this provision in a separate analysis. These estimates can be found here: <http://www.cbpp.org/1-21-09tax3.htm>.