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To: FederalAffairsUpdate
Subject: federal recover package info
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Attachments: CQRecovery Package Summary_2 17 09.pdf

Yesterday, President Obama signed the American Recovery and Reinvestment Act of 2009 into law.

This massive, $789.5 billion bill provides funds for spending and tax cuts. Many provisions within the bill will have a direct positive impact on higher education.

Below is a summary of some of the provisions relevant to OSU. Also, attached is a CQ Report that summarizes the law. Please contact me if you have specific questions.

Student Access:
The package will help students during this economic downturn. The final package includes:

- A $500 increase in the Pell maximum (increasing maximum award from the current $4,731 to $5,350 in 2009 and $5,550 by 2010);
- A new $2,500 education tax credit, 40 percent of which would be refundable (called the American Opportunity Tax Credit, which replaces and expands the current Hope Scholarship Tax Credit for two years);
- $200 million for the work-study program; and,
- $100 million for teacher enhancement grants.

Scientific Research:
In this package, Congress also recognized the importance of science and research in promoting both short- and long-term economic growth. Below are preliminary funding levels. I am receiving conflicting reports on some of these budgets. If you have questions or concerns about these numbers, please contact me.

- $3.0 billion for the National Science Foundation (NSF); including $400 million for MREFCs; $100 million for Education; $15 million for Professional Science Masters
- $10.4 billion for the National Institutes of Health (NIH), including a $400-million transfer from the Agency for Healthcare Research and Quality (AHRQ);
- $2.0 billion for research at the Department of Energy (DOE), including $1.6 billion for Science and $400 million for Advanced Research Project Agency-Energy (ARPA-E);
- $780 million for the National Institute of Standards and Technology (NIST), including $360 million for a competitive research facilities construction program;
- $836 million for National Oceanic and Atmospheric Administration (NOAA), including $280 million for NOAA research; and,
- $1 billion for the National Aeronautics and Space Administration (NASA), including $400 million and $150 million, respectively, for NASA science and aeronautics programs.

State Assistance:
The state fiscal stabilization fund will provide operating money to public institutions. Of the total $53.6 billion in the state fiscal stabilization fund, approximately $39.5 billion is dedicated to public education, both K-12 and higher education. The package also provides for nearly $8.8 billion to states for "other government services."

For those of you concerned about the state fiscal stabilization fund "cap" language, the final package contains language that requires the states to use federal resources to bring public higher education back to the higher of either the FY2008 or FY2009 level. When calculating the level of state support for FY2008 and FY2009, the legislation explicitly excludes tuition and fees paid by students. For this specific section of the bill, the legislative text defines "fiscal year" as a state fiscal year. Federal funds would also be available for FY2009, FY2010, and FY2011.

States would be required to provide assurances in five different areas in order to access these funds. One would require states to maintain their support for public higher education in these three years at least at the level that was provided in FY2006; this requirement could be waived by the Secretary.

The provisions on the state stabilization fund are still very complicated. If you would like to view this language, please use the following links: http://appropriations.house.gov/ or http://www.rules.house.gov/.

Higher Education Infrastructure:
The conference report does not include a separate line item for educational infrastructure. However, stabilization funds are linked to higher education infrastructure in that they could be used to address infrastructure needs. The House bill included a separate line item for higher education infrastructure needs and was funded at $6 billion. The Senate-passed bill did not include any funding.

In addition to the education funds, the resources allocated to states for "other government services" could be used by the states for public education as well. Private institutions colleges and universities could receive assistance for infrastructure through these funds.

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