



## H.R. 7110 - Job Creation and Unemployment Relief Act of 2008

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### FLOOR SITUATION

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This legislation was introduced by Representative David Obey (D-WI) on September 26, 2008.

H.R. 7110 is expected to be considered on the House floor on September 26, 2008.

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### BACKGROUND

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Republicans played no role in the drafting of this bill. The final language was given to Republicans and the public at 9:40 A.M. this morning.

On January 29, 2008, the House passed H.R. 5140, the Economic Stimulus Act of 2008, by a vote of 385-35. President Bush signed this stimulus bill into law on February 13, 2008. The stimulus package enacted earlier this year provided rebate checks to taxpayers, between \$300 and \$600, based on the taxpayer's Adjusted Gross Income level and filing status. The package also increased loan limits for the Federal Housing Administration, as well as for Fannie Mae and Freddie Mac. Please find the complete Legislative Digest for this stimulus package [here](#). H.R. 5140 was a response to economic indicators which suggested an increased risk of recession in early 2008. Federal Reserve Chairman Ben Bernanke testified before Congress at that time that action was needed to stimulate the economy through targeted government spending and tax incentives.

There have been additional economic stimulus packages enacted during the Bush presidency. In 2001, tax refunds of \$300 for singles and \$600 for couples were included as part of the Economic Growth Tax and Relief Reconciliation Act of 2001 (P.L. 107-16), also known as the 2001 Republican Tax Cuts. Congress later enacted the Job Creation and Worker Assistance Act of 2002 (P.L. 107-147) in March of 2002 in an effort to provide the economy a short-term stimulus in the aftermath of the September 11 attacks.

According to Appropriations Committee Ranking Member Jerry Lewis (R-CA), "It is likely that this legislation will be a taxpayer-funded unfettered spending spree on programs that the Democrat majority couldn't – or wouldn't – move through the normal legislative process. In this time of financial instability and national anxiety over the state of our markets, the first goal of Congress should be to do no harm. But, it appears that this enormous spending legislation would do just that."

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### SUMMARY

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This bill provides additional supplemental funding for various governmental programs, some of which are detailed below. The total spending in this bill is \$60.758 billion.

#### Department of Defense

- \$500 million for Corps of Engineers activities in the Mississippi River and Tributaries
- \$2.5 billion for Corps of Engineers construction
- \$2 billion for Corps of Engineers operations and maintenance

#### Department of Interior

- \$300 million for rural water projects

#### Department of Energy

- \$500 million for energy efficiency research
- \$100 million for electricity delivery and electric grid modernization
- \$1 billion for the Advanced Battery Loan Guarantee Program



### Department of Education

- \$3 billion for school modernization and repairs
  - All iron and steel used in projects using these funds must be produced in the United States

### Environmental Protection Agency (EPA)

- \$7.5 billion for State and Tribal Assistance Grants for the Clean Water State Revolving Funds

### Department of Labor

- \$400 million for youth and dislocated worker activities

### Department of Transportation

- \$600 million for FAA discretionary grants
- \$500 for the Federal Railroad Administration to invest in capital projects regarding intercity rail service
- \$3.6 billion for transit capital assistance grants
- \$1 billion for transit emergency energy assistance grants

### Highway Trust Fund

- \$12.8 billion for the Federal Highway Administration for Federal-aid highway restoration, repair, and construction

### Department of Housing and Urban Development

- \$1 billion for the Public Housing Capital Fund

Food Stamps: The bill provides additional funding for food stamps. The increase is expected to cost \$2.7 billion over ten years.

Medicaid FMAP: The bill provides a one percent increase to the Federal Medical Assistance Percentage (FMAP) for each State for fiscal year 2009 and the first quarter of fiscal year 2010. Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Northern Marianas Islands receive a four percent increase. States may receive an additional increase if they qualify based on employment data.

Unemployment Insurance: This provision extends unemployment insurance for an additional 6 weeks in every state and for an additional 13 weeks in states that have an unemployment rate of 6 percent or higher. This is expected to cost \$5.9 billion.

*\*Note: On June 19, 2008, the House passed the Iraq/Afghanistan Supplemental Appropriations bill (H.R. 2642) by a vote of 416-12. The bill extended unemployment insurance for an additional 13 weeks in every state. The President signed the bill into law on June 30, 2008 (P.L. 110-252).*

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#### COST

At the time of publication, the Congressional Budget Office (CBO) had not yet scored this legislation.

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#### STAFF CONTACT

For questions or further information contact the Conference Policy Office at 6-2302.