



# A Recovery Update for Michigan's Citizens

Governor Jennifer M. Granholm

April 17, 2009

# The American Recovery and Reinvestment Act (ARRA) of 2009

- President Obama signs the Recovery Act on February 17, 2009
- The largest investment increase in America's roads, bridges and mass transit in 50 years
- The most significant expansion in tax cuts for low and moderate income households ever

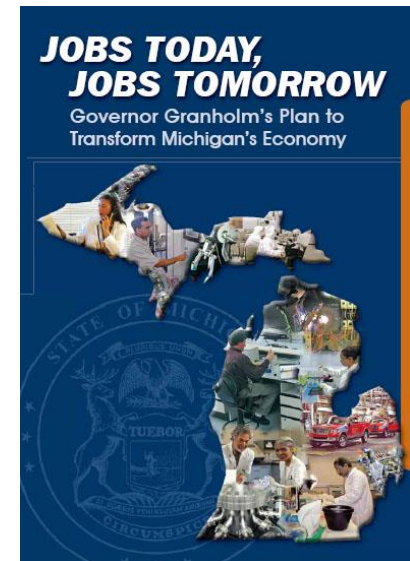


# Michigan's Economic Plan is in Place

***Our plan aligns perfectly with President Obama's goals:***

- ◆ Create jobs and diversify our economy
- ◆ Educate and train our students and workers
- ◆ Protect our citizens during tough times

The Recovery Act  
will **accelerate** our plan



# How Will the Funds Come to Us?

- Through existing programs
- Competitive grants
- Tax cuts



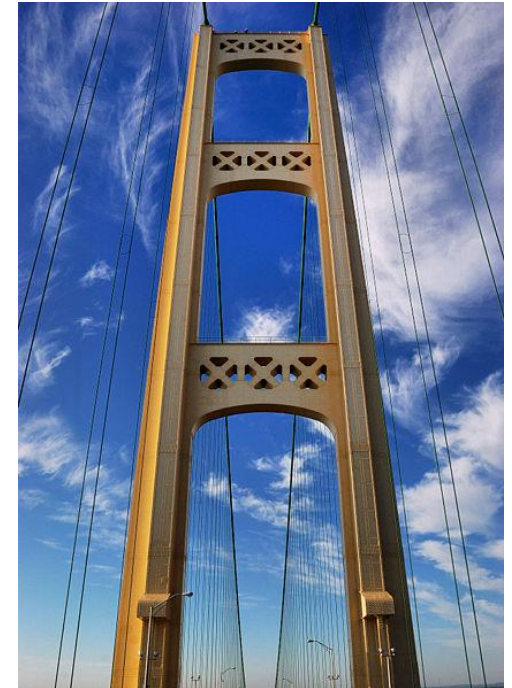
*Visit [michigan.gov/recovery](http://michigan.gov/recovery) often for grant applications and the latest updates!*





# The Impact for Michigan

- Total estimated benefit for Michigan: **\$18 billion**
- Funding available for existing programs: about **\$7 billion**
- Will create or save **109,000 jobs** over the next two years



*What does the Recovery Act mean for me?*



# Protecting Families

- **\$400 tax cut** for workers earning less than \$75,000 (\$800 if filing jointly)
- **\$5,657 Earned Income Tax Credit** (increase of \$629) for families with 3 or more children making up to \$43,250/yr
- **\$1,000 per-child tax credit** for families making more than \$3,000/yr (minimum was \$12,550)
- **\$250 payment** to seniors and people with disabilities
- **First-time Home Buyer Tax Credit** increased from \$7,500 to \$8,000



# Helping Jobless Workers

- **Unemployment eligibility extended** by up to 20 weeks (maximum of 79 weeks)
- **\$25 per week increase** in unemployment benefits
- **Increase in Food Assistance** - for example, about \$80 more per month for a family of four making less than \$40,000
  - About 86,698 people in Genesee County receive Food Assistance



# Education & Training for Citizens

- **American Opportunity Tax Credit** – up to \$2,500 of college expenses will be tax deductible
- **Pell Grants** – maximum award for low income students will increase from \$4,850 to \$5,350 this fall

*In addition...*

- **No Worker Left Behind** – More than 61,000 participants statewide since 2007





# Helping Schools

- \$2.2 billion statewide for:
  - Special education
  - Programs for at-risk students
  - Mitigating budget cuts
- \$20 million for Head Start



# Weatherization & Energy Conservation

- **Weatherization Assistance** – a family of four making less than \$44,000 can receive up to \$6,500 for upgrades that save money on energy
  - \$8.9 million for Genesee County; about 1,300 homes
- **Energy Efficient Improvement Tax Credits**
  - will triple maximum credit from \$500 to \$1,500



# Providing Health Care

- Pays for 65% of continued health coverage for citizens who have lost their jobs (COBRA)
- Significant Medicaid funding boost (94,515 now enrolled in Genesee County)
- Community Health Center Grants:
  - Hamilton Community Health Network: \$338,725



# Protecting Home Ownership

- **Home Affordable Refinance Program**
    - Provides access to low-cost **refinancing**
    - For homeowners with Fannie Mae or Freddie Mac loans whose home values have dropped
    - Homeowners must be current on mortgage payments
  - **Home Affordable Modification Program**
    - Can **reduce mortgage payments** to make them more affordable
    - For mortgages up to \$729,750
- *Find out more at [michigan.gov/mshda](http://michigan.gov/mshda) or 866-946-7432*



# Strengthening Neighborhoods

- **Public Housing Modernization and Development**
  - \$2.5 million for the Flint Housing Commission

In addition...

- Cities of Promise funding has helped to demolish nearly 200 homes and Heartland Manor in Flint
- \$359,000 Safe Routes to School grant awarded








# Investing in Public Safety

- Michigan law enforcement agencies are eligible for \$67 million to fight crime
  - City of Flint: \$1.4 million
  - Mount Morris Township: \$99,854
  - Flint Township: \$90,288
  - Genesee County: \$27,523
- \$4.4 million for child support enforcement in Michigan



# Roads & Infrastructure

## For Genessee County:

- \$34 million in Recovery Act-funded road projects; 948 jobs
  -  Repair and rebuild - \$6 million
  -  Reconstruction - \$25 million
  -  Reconstruction - \$26 million
- \$16 million in other roads funding; 457 jobs

## In addition...

- \$37 million in non-Recovery Act funds for I-69 reconstruction in Lapeer and Genessee Counties 



# Strength Through Diversity

- **Disadvantaged Business Enterprise (DBE) Program**
  - Certifies small businesses owned and controlled by minorities, women and other socially and economically disadvantaged persons
  - Statewide goal of 10.5% of federal transportation funds for DBE-certified firms
- **Road Construction Apprenticeship Readiness (RCAR) Program**
  - Free 8-week fast track program
  - Targets women, minorities and economically-disadvantaged individuals
  - 58% of 2008 graduates have already found placements



# Helping Michigan Businesses

- **Bonus Depreciation Extended**
  - Businesses can immediately write off 50 percent of capital expenditures as a deduction against current income – a \$1.1 billion tax savings in the first year
- **5-Year Carryback of Net Operating Losses for Small Businesses**
  - \$165 million in tax savings in the first year
- **Deferral of Certain Income from Cancellation of Debt**
  - \$120 million in tax savings in the first year
- **Expanded Small Business Expensing**
  - \$36 million in tax savings for Michigan businesses in the first year



# On the Web...

- **White House Recovery Portal:**  
<http://recovery.gov>
- **State of Michigan Recovery Portal:**  
<http://michigan.gov/recovery>  
- **Michigan Community Service Commission:**  
<http://michigan.gov/mcsc>
- **United Way of Genesee County:**  
<http://unitedwaygenesee.org>





