



THE 2009 ECONOMIC STIMULUS BILL AND ITS IMPACT ON JUVENILE JUSTICE

COALITION FOR JUVENILE JUSTICE FEDERAL POLICY BULLETIN

On February 17, 2009, President Obama signed into law H.R. 1, the American Recovery and Reinvestment Act of 2009 (“Recovery Act”). All together, the Recovery Act authorizes and appropriates approximately \$787 billion dollars in federal spending, tax cuts and tax credits over fiscal years 2009 and 2010. The bill can be viewed in its entirety at <http://thomas.loc.gov/cgi-bin/query/z?c111:H.R.1.enr>.

The Recovery Act does not authorize any additional funding for the Title II, Title V and JABG programs. Therefore, this bulletin highlights the Recovery Act federal spending or tax programs that may be used directly or indirectly to:

- reduce juvenile delinquency;
- divert court-involved youth away from detention or placement; and
- serve youth who are reentering the community after a period of confinement.

This bulletin also highlights programs that support or expand law enforcement activities that have the potential to impact juvenile arrest rates.

Most of the funding provided under the Recovery Act will be allocated to states based on existing formulas. Some funding will be made available on a competitive basis. Whether by formula or competition, the overwhelming majority of program dollars provided under the Recovery Act must be used by December 31, 2010. (The definition of “used” is still being determined, i.e., whether the funds have to be expended or simply obligated by December 31, 2010. The answer may vary by program.)

We encourage Coalition for Juvenile Justice (CJJ) members, including State Advisory Group (SAG) members and JJDPAs state staff, to reach out to your Governors and the child, youth and family-serving agencies in your states in order to become fully aware of the type and scope of youth-related dollars that flow into your state. The type and availability of these additional dollars may:

- inform JJDPAs State Three-Year Plans;
- inform how the SAG allocates JJDPAs program dollars for FY 2009 and 2010; and
- support the SAG in its pursuit or expansion of new program priorities.

We also encourage CJJ members, including SAG members and JJDPAs state staff, to be aware of federal dollars under the Recovery Act that provide for increased law enforcement support and activities at the state and local levels. The spend down mandates for these grant programs provide a brief but concentrated window of opportunity to ensure that these dollars are applied in coordination with state delinquency prevention and juvenile justice reform efforts to maximize outcomes.

Additionally, CJJ members will wish to stay involved and to explore how Recovery Act programs in the area of juvenile justice impact juvenile arrest and incarceration rates in general, and with special attention to DMC rates.

JUSTICE

Justice Programs, State and Local Law Enforcement Activities

The Act provides a total of nearly \$4 billion in grants to support state and local law enforcement, including:

- **Byrne Justice Assistance Grants:** \$2 billion in formula grants to help prevent, fight, and prosecute crime.
- **Byrne competitive grants:** \$225 million in competitive grants to support crime prevention, improve the administration of justice, provide services to victims of crime, and other activities.
- **Community Oriented Policing Services (COPS) grants** – \$1 billion in grants to support the hiring of additional law enforcement officers. The Act waives the 25 percent local match requirement and the \$75,000 salary cap per officer.
- **Tribal Law Enforcement Assistance:** \$225 million to be distributed to American Indian and Alaska Native tribes.
- **Rural Law Enforcement grants:** \$125 million in grants to combat drug-related crime in rural areas.
- **Southwest border/Project Gunrunner:** \$40 million in competitive grants to provide assistance and equipment to local law enforcement along the Southern border or in High-Intensity Drug Trafficking Areas to combat narcotic activity. \$10 million of these funds are to be transferred to the Bureau of Alcohol, Tobacco, Firearms, and Explosives for Project Gunrunner.
- **Internet Crimes Against Children:** \$50 million in grants to enhance investigative responses to predators using the Internet or other technology to sexually exploit children.

EDUCATION AND WORKFORCE

K-12 Education

- **McKinney-Vento Homeless Assistance Act:** \$70 million for the education of homeless students.

Higher Education

- **Pell Grants:** \$15.64 billion for Pell Grants to retire the existing Pell Grant shortfall and increase the maximum Pell Grant award through a mix of discretionary and mandatory spending to \$5,350 (up from \$4,860) for the 2009-2010 school year.
- **College-Work Study:** \$490 million for colleges to support low and moderate-income undergraduate and graduate students who work while attending school.

Workforce Employment and Training

\$3.95 billion for formula states to provide for employment and training programs under the Workforce Investment Act (WIA) of 1998, including:

- **Adult Program:** \$500 million to serve eligible low income adults (can be used to serve youth over the age of 18).
- **Youth Program:** \$1.2 billion for youth activities including summer jobs for youth. The eligibility age for youth recovery funds is extended to age 24.

The Secretary of Labor will receive discretionary funding for competitive grants to states in the three following programs:

- **High Growth and Emerging Industry Sectors:** \$750 million is provided for worker training and job placement in high growth and emerging industry sectors. Of that amount, \$500 million is reserved to prepare workers for efficiency and renewable energy careers.
- **YouthBuild:** \$50 million to help at-risk youth gain education and occupational credentials while building or rehabilitating affordable housing. The funds will supplement awards to existing programs and to expand a current competition. For program years 2008 and 2009, the program can serve youth who have dropped out of high school and re-enrolled in alternative school provided that reenrollment is part of a sequential service strategy.

HEALTH AND HUMAN SERVICES

Supplemental Nutrition Assistance Program (SNAP)

\$20 billion for the Supplemental Nutrition Assistance Program (SNAP), including a 13.6 percent benefit increase in nutrition assistance for all states, Puerto Rico and American Samoa for fiscal year 2009, based on the June 2008 thrifty food plan value.

Special Supplemental Nutrition for Women, Infants, and Children (WIC)

Provides \$500 million for the supplemental nutrition program serving Women, Infants, and Children (WIC), of which \$400 million shall be placed in reserve and allocated at the discretion of the Secretary to support participation, should cost or participation exceed budget estimates.

Temporary Assistance for Needy Families

TANF Emergency Contingency Fund. Provides \$5 billion for block grants to help states deal with the surge in families needing help during the recession and to prevent them from cutting work programs and services for abused and neglected children. The bill creates an emergency contingency fund from which States can request quarterly grants for three purposes:

- 1) Caseload increases
- 2) Increased expenditures related to non-recurrent short term benefits
- 3) Increased expenditures for subsidized employment.

Child Care Development Block Grant

\$2 billion to provide child care services for an additional 300,000 children in low-income families while their parents go to work, of which \$1 billion will be made available October 1, 2009. These funds must be used to supplement, not supplant state general revenue funds for child care assistance for low-income families.

Community Services Block Grant

Provides \$1 billion for Community Service Block Grants to local communities to support employment, food, housing, and healthcare efforts serving those hardest hit by the recession, of which \$500 million shall become available on October 1, 2009. Community action agencies have seen dramatic increases in requests for their assistance due to rising unemployment, housing foreclosures, and high food and fuel prices.

INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

Education

American Opportunity Tax Credit

The bill would provide financial assistance for individuals seeking a college education. For 2009 and 2010, the bill would provide taxpayers with a new “American Opportunity” tax credit of up to \$2,500 of the cost of tuition and related expenses paid during the taxable year. Under this new tax credit, taxpayers will receive a tax credit based on one hundred percent (100%) of the first \$2,000 of tuition and related expenses (including books) paid during the taxable year and twenty-five percent (25%) of the next \$2,000 of tuition and related expenses paid during the taxable year. Forty percent (40%) of the credit would be refundable. This tax credit will be subject to a phase-out for taxpayers with adjusted gross income in excess of \$80,000 (\$160,000 for married couples filing jointly).

Business

Expand work opportunity tax credit for disconnected youth and unemployed, recently-discharged veterans

Under current law, businesses are allowed to claim a work opportunity tax credit equal to 40 percent of the first \$6,000 of wages paid to employees of one of nine targeted groups. The bill would create two new targeted groups of prospective employees: (1) unemployed veterans; and (2) disconnected youth. An individual would qualify as an unemployed veteran if they were discharged or released from active duty from the Armed Forces during 2008, 2009 or 2010 and received unemployment compensation for more than four weeks during the year before being hired. An individual qualifies as a disconnected youth if they are between the ages of 16 and 25 and have not been regularly employed or attended school in the past 6 months.

The Coalition for Juvenile Justice (CJJ) is a national nonprofit association working to build safe communities one child at a time. Its multi-disciplinary membership includes governor-appointed State Advisory Groups on juvenile justice from more than 40 U.S. states, territories and District of Columbia, as well as allied organizations and individuals seeking to improve juvenile justice and community safety. CJJ is based in Washington, D.C., yet has nationwide reach. CJJ is also the host and sponsor of the National Juvenile Justice Network (NJJN).

For more information on CJJ’s Government Relations Program, please contact Tara Andrews, CJJ Deputy Executive Director of Policy and Programs: andrews@juvjustice.org or 202-467-0864, ext 109.

For other CJJ publications, please visit www.juvjustice.org.

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