

## SPECIAL EDITION

- **ALERT: Action Needed on American Recovery and Reinvestment Act of 2009**

Congress has made the enactment of a stimulus package a top priority and members are acting in concert with the Obama administration to bring the legislation to fruition. We expect that the House will bring a comprehensive bill to the floor on Wednesday, Jan. 28. This legislation, called the American Recovery and Reinvestment Act of 2009, includes a number of provisions that are potentially favorable for students, families and institutions, and I write to encourage you to contact your congressional representative to encourage him or her to vote to approve this legislation.

The bill gives great credence to our belief that higher education institutions have a critical role to play in near-term and long-range economic revitalization. The major provisions of interest to higher education include:

- **Increased Student Aid and Loans:** Provides a \$500 increase to the Pell Grant that would result in a \$5,350 maximum award starting on July 1, 2009; increases the Federal Work-Study Program by \$490 million; and increases limits on unsubsidized Stafford loans by \$2,000 per year.
- **Tax Provisions:** Amends the current Hope Scholarship Tax Credit and creates a new American Opportunity Tax Credit of up to \$2,500 of the cost of tuition, fees and course materials during 2009 and 2010. Forty percent of the credit would be refundable. This tax credit will phase out for taxpayers with an adjusted gross income in excess of \$80,000 (\$160,000 for married couples filing jointly).
- **Campus Infrastructure:** Provides \$6 billion in funding for grants to modernize, renovate and repair campus academic facilities; provides the National Science Foundation (NSF) with \$400 million to build research facilities, \$300 million for research equipment shared by institutions of higher education and other scientists, \$200 million to repair and modernize science and engineering research facilities, and \$100 million to improve instruction in science, math and engineering; and provides \$1.5 billion for the National Institutes of Health (NIH) to renovate university research facilities.
- **Research:** Provides NSF with \$3 billion in additional funding; provides the Department of Energy a \$1.9 billion increase for basic research; increases funding for NIH by \$2 billion, including \$1.5 billion for expanding jobs in biomedical research; and provides the National Institute of Standards and Technology with \$300 million for competitive construction grants for research science buildings at colleges, universities and other research organizations.

There may be an effort to challenge several of the above provisions when the legislation is considered on the floor of the House. Both Pell Grants and higher education infrastructure proposals were cited in a House Republican press release as examples of the kinds of projects that have no merit in terms of growing the economy. We believe that not only do these and the other higher education

provisions have the near-term benefit of creating jobs, in the case of the infrastructure provisions, or relieving stress on family finances and creating an alternative to unemployment, in the case of Pell Grants, but that these are solid investments in long-term prosperity as well.

**Your help will be needed to ensure passage of the American Recovery and Reinvestment Act of 2009. All of higher education should be involved.**

**Please pick up the phone and place a call to your member of Congress between now and the close of business on Tuesday, Jan. 27, to urge him or her to vote in favor of passage of this critically important legislation.**

**Molly Corbett Broad  
President of ACE**