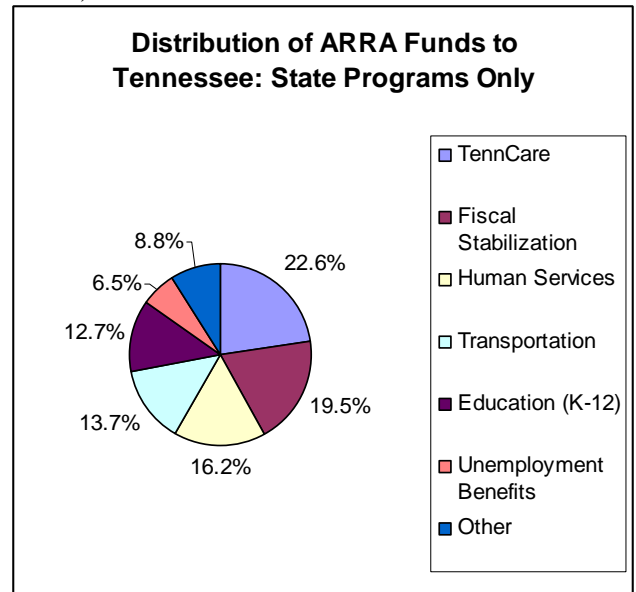


## American Recovery and Reinvestment Act (ARRA) Stimulus Funds for Tennessee

The ARRA will channel \$5 billion into Tennessee by the end of federal fiscal year 2011. The estimated amounts by program and by fiscal year are detailed in the State Budget Document for fiscal year 2009-2010 (source for chart below). ARRA funds are intended to help stabilize or cushion the economy during the economic recession and period of financial instability that began at the end of 2007.

The ARRA funds distributed to the state arrive with some restrictions or requirements to insure transparency. The estimated distribution of funding for state programs is shown in the accompanying chart. The majority of the ARRA funds are intended to maintain basic social and education programs from what would otherwise be recession-required program cuts. The use of the funds is spread out over fiscal years 2009, 2010, and 2011.

The six largest general program categories receiving ARRA stimulus assistance are as follows:



- TennCare: \$1.1 billion to maintain the program through December 2010.
- State Fiscal Stabilization: A combination of \$775 million for use in stabilizing and maintaining state spending on K-12 (primarily BEP program) and higher education, and \$173 million for use by the state on whatever programs (including education) the state chooses.
- Human Services: \$789 million in extended federal funding for the food stamp program (\$483 million), the Temporary Assistance for Needy Families program (\$120 million), the Weatherization Assistance Program (\$103 million), and several other smaller grants.
- Transportation: \$666 million for funding transportation-related spending.
- Increased funding for Select Federal Education Programs: \$616 million for primarily three programs- elementary and secondary education Title I grants in support of the “No Child Left Behind” program (\$194.1 million), grants in support of education for students with disabilities (\$229.6 million), and \$86.1 million in competitive grants to states with proven programs that advance education innovation and reform.
- Unemployment Benefits: \$318 million in increased and extended unemployment benefits to unemployed workers.