

# Maurice Hinchey NEWS

22nd CONGRESSIONAL DISTRICT, NEW YORK

---

For Immediate Release

February 2, 2009

Contact: Jeff Lieberman

202-225-6335 (office)

202-225-0817 (cell)

## **Hinchey Announces Specifics on How New York Will Benefit From House-Approved \$819 Billion Economic Recovery Bill; Outlines Dire Economic Situation & Efforts to Use New Bill to Create Jobs & Grow New York's Economy**

*Measure Will Help Save or Create an Estimated 390,000 Jobs in New York Alone; Make Significant Investments in Transportation, Education, Health Care, & Renewable Energy*

*Ithaca, NY* -- Just days after helping the House approve an \$819 billion economic recovery package, Congressman Maurice Hinchey (D-NY) today discussed the bill in detail and highlighted how much new federal funding is expected to come to New York to help spur the state's economy. The economic recovery bill is expected to create and save 3 to 4 million jobs, including nearly 400,000 jobs in New York. A similar bill is making its way through the Senate and is expected to be passed this week. House and Senate leaders will then get together to resolve differences in the two version of the bill. President Obama said he expects to sign a final economic recovery within two weeks.

"The economic recovery bill we passed last week in the House will give a giant shot in the arm to the U.S. economy at a time when it needs it most," Hinchey said. "The economy continues to plunge deeper and deeper into recession with more Americans losing their jobs each day. This bill pumps money into New York and every other state to help create jobs and provide financial relief to states, families, and individuals who need them most. From transportation and education projects, to expanded unemployment insurance and funds for Medicaid, this bill is extremely comprehensive in its approach to the economic circumstances we are currently facing. I personally would have preferred an even larger bill that was closer to \$1.5 trillion, but this bill is a significant first step toward restoring economic stability. It's time to provide relief and assistance to the American people, not just the greedy corporate honchos who helped drive the economy into the ground in the first place."

Hinchey said that the need for immediate final passage of the economic recovery bill is abundantly clear. Nearly 2.6 million American jobs were lost last year -- the culmination of a failed economic approach over the previous eight years of the Bush administration. More than 1 out of 8 American workers are either unemployed or underemployed (those who are forced to work part-time or in jobs for which they are far overqualified). Job losses accelerated in the last quarter of 2008. Over the past three months, the economy has lost an average of 510,000 jobs per month, compared to an average loss of 118,000 per month from January to September of 2008. The Congressional Budget Office (CBO) forecasts that the average unemployment rate in 2009 will be 8.2 percent and in 2010 that figure will rise to 9 percent. In the fourth quarter of 2008, the economy contracted by 3.8 percent. CBO forecasts that the economy will shrink by 2.2 percent over 2009, making this the deepest recession since the end of World War II.

-more-

*Hinchey Announces Specifics on How New York Will Benefit From House-Approved \$819 Billion Economic Recovery Bill*

*Page 2/5*

The economic recovery plan that Hinchey and his House colleagues approved will create and save an estimated 3-4 million jobs through various investments to: modernize roads, bridges, schools and other infrastructure; improve education and health care; and advance the research and manufacturing of solar and other forms of renewable energy. The bill also gives 95 percent of working Americans an immediate tax cut.

"By quickly pumping a significant amount of money into the New York and the national economy, we will create jobs that will put people back to work, improve our overall quality of life, and make our area more attractive to new businesses that in turn will create even more local jobs," Hinchey said. "In addition to construction projects, this bill invests directly in the American people in order to help lift them up and pave the way for a better way of life for everyone."

Last week, 146 leading economists, including five recipients of the Nobel Prize for Economics, sent a letter to Congress calling for the quick passage of the economic recovery bill because swift, bold action is needed to restore the American economy. Hinchey and his colleagues focused on making sure the bulk of the money allocated in the economic recovery bill is spent in the first 18 months of the bill's enactment. More than 90 percent of the jobs created will be in the private sector – most of the rest will be public servants on the front lines.

Hinchey said the economic recovery bill will create jobs and grow the economy by: doubling renewable energy production -- putting people to work in the short-term and freeing the country from its dependence on foreign oil in the long-term; renovating public buildings and homes to make them more energy efficient; rebuilding crumbling roads, bridges, and schools, and bringing high speed Internet to every community so rural and inner city businesses can link up to the global economy; saving both money and lives by updating and computerizing the country's health care system to cut red tape, prevent medical mistakes, and help reduce health care costs by billions of dollars each year; building 21st century classrooms, labs, and libraries to help our children and workers succeed in a global economy; and investing in research and development to secure America's role as a world leader in a competitive global economy.

"This bill is extremely comprehensive and I am proud to have supported it," Hinchey said. "I am very hopeful that this bill will be on President Obama's desk in less than two weeks. We cannot wait any longer to bring about the dramatic change in direction that our economy so desperately needs."

The bill will also protect vital services like law enforcement, education, health care and nutrition assistance for families who now find they are struggling to make ends meet. The bill also helps those who have been hurt the most by the economic crisis by extending unemployment benefits, increasing food stamp benefits, and making it easier for those who lose their job to keep their health insurance.

New York's unemployment rate is currently 7.0 percent and while that figure is unfortunately expected to climb, it is estimated that it will be 2.3 percent less than it would be without the passage of the economic

*-more-*

*Hinchey Announces Specifics on How New York Will Benefit From House-Approved \$819 Billion Economic Recovery Bill*

*Page 3/5*

recovery bill. As a large state, New York stands to benefit greatly from the economic recovery bill that Hinchey and his colleagues in the House passed last week. The bill is estimated to provide New York and its residents with:

- \$12.45 billion in additional Medicaid funding
- \$3.6 billion for highway, transit, and other infrastructure projects
- \$3.99 billion in funding to prevent education and other cutbacks
- Increased Pell grants for an estimated 360,000 students at higher education institutions in New York
- Higher education tax credits for 295,000 additional students
- Tax cuts for 6.7 million families
- Extended unemployment benefits for 175,797 people.
- Food Stamp benefits for 2.1 million people.

More specifically, New York is expected to receive \$1.4 billion in highway infrastructure money; \$920 million for transit projects; and an additional \$567 million rail, ferry, and other mass transit systems. The state is also expected to receive an estimated \$1.3 billion for school modernization, renovation and repair projects; \$1.2 billion for education programs that benefit disadvantaged children; \$839 million for special education programs; \$100 million for expanded child care services; and \$81.4 million to improve technology in schools.

While formulas are still being finalized for many of the various projects, funding for schools in the area have the best projections thus far. Although these numbers may change, as of now schools that are in the congressional district that Hinchey represents can expect to receive the following funds for construction and educational programming that directly benefits students: Broome County -- \$19.26 million; Delaware County -- \$296,500; Sullivan County -- \$7.56 million; Tioga County -- \$2.78 million; and Tompkins County -- \$2.69 million.

Federal money will also go to directly help low and moderate-income families in New York. Funds are expected to be allocated as follows: \$600 million to make homes more energy efficient through weatherization initiatives; \$120 million to help low-income families pay home heating costs; and \$161 million for worker training and employment services.

"The benefits of this economic recovery bill will be felt all across our state," Hinchey said. "New York stands to receive a significant percentage of the funding that will provide true relief to its residents. This bill will put people back to work and help save the jobs of those who may currently be on the verge of losing their jobs. Those of us in Congress who supported this bill understand just how dire the economic circumstances are across New York and the entire country, which is why we are aggressively fighting for the swift final passage of this measure."

Renewable energy programs in New York also stand to benefit significantly from the economic recovery bill. While individual state numbers have yet to be determined, the overall bill includes \$45 billion in investment and \$20 billion in tax incentives that will create 500,000 jobs nationwide in solar and other renewable, clean, efficient energy fields. Funds will help establish a significant new loan guarantee

*-more-*

*Hinchey Announces Specifics on How New York Will Benefit From House-Approved \$819 Billion Economic Recovery Bill*

*Page 4/5*

program and a new renewable energy grants program to keep the transition to renewable energy on track during the economic crisis. The bill also includes funding to help states and local municipalities tackle energy problems in an efficient manner.

"Investments in renewable energy today will not only help create economic growth today, but will also set the state up to be a major player in the energy wave of the future," Hinchey said. "Solar and other forms of renewable energy are finally starting to take off in this country. New York is extremely well-positioned to be a leader in solar and other renewable energy research and development. This economic recovery bill will help our state take another important step forward toward that goal."

In 2007, Hinchey helped organize and create The Solar Energy Consortium (TSEC) -- an industry-driven, non-profit organization that provides leadership, organization, resources, and support for the establishment of a major solar energy industry cluster in New York. The consortium has already partnered with two major manufacturing partners, which plan to bring more than 800 new jobs to upstate New York within 4-5 years. In addition, TSEC is currently partnering with several smaller companies who have already generated more than 70 jobs through their efforts with the consortium. The consortium has also partnered with six research universities in New York, including Binghamton University and Cornell University. Funds from the economic recovery bill could directly benefit TSEC and its partners in their ongoing research and development of solar products.

The economic benefits from all of the investments made in the economic recovery bill are significant. Economists estimate that for every \$1 billion the U.S. invests in transportation infrastructure, 35,000 jobs are created as well as up to \$6 billion in gross domestic product; every \$1 spent on food stamp benefits generates \$1.73 in economic activity; every \$1 spent of unemployment benefits generates \$1.64 in new economic demand; and every \$1 in general aid to state government generates \$1.36 in economic activity.

Local projects eligible for funding must meet the requirement of being "shovel-ready" within 180 days of the bill's enactment. While there is no guarantee that the following projects will receive funds from the economic recovery bill, they are the types of projects that stand to potentially benefit directly from the economic recovery bill that Hinchey helped pass last week: \$100 million for the Route 17 (Future I-86) exchange at Parksville; \$10 million for public buses in Tompkins County; \$7.5 million for Broome County public transit buses; \$6.3 million for Kirkwood sanitary sewer upgrades; \$4.3 million for an affordable senior housing construction project in Livingston Manor; \$4 million for a Green Technology Commerce & Research Park and the Center for Advanced Sciences & Technology at Sullivan County Community College; \$1.6 million for the Cayuga Heights sewer treatment; \$1.2 million for Main Street mill and resurface in Binghamton; \$553,000 for the downtown revitalization of Owego; \$317,000 for "Main Street" revitalizations in Sullivan County; as well as various funding initiatives for local universities.

Hinchey noted that the decline of the economy can be directly traced back to President Bush and his reckless economic policies. When President Clinton left office in 2001, the country had a projected budget surplus of \$5.6 trillion over the following five years. The Bush administration destroyed that economic

*-more-*

*Hinchey Announces Specifics on How New York Will Benefit From House-Approved \$819 Billion Economic Recovery Bill*

*Page 5/5*

prosperity and left office with a projected deficit well over \$4 trillion for the following five years. As the result of wasteful spending and an overall disastrous economy, the Bush administration helped to nearly double the gross national debt to \$10.6 trillion.

The Bush tax cuts for millionaires and corporations did not pay for themselves or create economic growth as the former president promised. From 2001 through 2007, the Treasury received revenues that were \$2.6 trillion lower than what the CBO projected in 2001, demonstrating that the administration's much-touted higher revenues never materialized. In fact, Bush the administration's fiscal policies were paid for by adding some \$3.7 trillion to the national debt, or about \$48,600 per family of four.

"Unfortunately, the policies of the Bush administration continue to plague this country," Hinchey said. "This economic recovery bill is the first in what will be many major steps to reverse the damage done to this country in virtually every way over the past eight years."

Hinchey said he hopes House and Senate Republicans will reverse their opposition to the bill, particularly since the bill makes investments in the U.S. economy to create jobs, spur economic growth, and ultimately generate increased tax revenue for the country. The congressman noted that the same members of Congress who are opposing the current economic recovery bill are the same members of Congress who helped nearly double the national debt over the last eight years through reckless economic policies.

###