



Office of Lt Governor Diane Denish

# Rural Economic Recovery Initiative

*Helping Rural Communities Take Advantage of the Federal Recovery Act*

## BENEFITS FOR INDIVIDUALS AND BUSINESSES THROUGH AMERICAN RECOVERY AND REINVESTMENT ACT

### CATAGORIES

### BENEFITS FOR INDIVIDUALS

#### Tax Relief

**Make Work Pay (New Tax Credit):** For 2009 and 2010, the credit will give families up to \$800 (\$400 for single taxpayers). The credit is reduced for incomes exceeding \$150,000 (individuals over \$75,000). Unlike earlier "rebates," which were distributed via checks mailed to taxpayers, most taxpayers will see this credit in the form of an INCREASE in their paychecks due to a reduction in federal income tax withholding.

**Benefits for Seniors and Disabled:** Seniors and others qualifying for Social Security benefits, as well as disabled veterans, will receive a one-time payment of \$250, if they have not received this amount already through the Make Work Pay Credit.

**Benefits for Retired Teachers and Others:** Retired teachers and other government retirees who aren't eligible for Social Security benefits will receive a one-time refundable tax credit of \$250 if they have not received this amount already through the Make Work Pay Credit.

**New Car Deductions:** Provides all taxpayers with a deduction for state and local sales and excise taxes paid on the purchase of new cars, light trucks, recreational vehicles, and motorcycles from February 17, 2009 through December 31, 2009. The deduction is phased out for taxpayers with incomes over \$125,000 (\$250,000 for joint returns).

**First-time Homebuyers:** The refundable credit equal to 10% of the purchase price of a principal residence for qualified first-time homebuyers has been extended to purchases made before Dec. 1, 2009, and the maximum credit has been expanded from \$7,500 to \$8,000. More importantly, taxpayers no longer need to REPAY this credit unless the home is sold within three years of purchase.

**Making College More Affordable:** For 2009 and 2010, taxpayers can claim a maximum tax credit of \$2,500 per year for tuition and related expenses (including books) for the first four years of postsecondary education. This credit phases out for families with incomes over \$160,000 (\$80,000 for single filers).

**Expanding the Earned Income Tax Credit:** A temporary increase in Earned Income Tax Credit for working families with three or more children. The earned income tax credit is increased to 45% of the family's first \$12,570 of earned income (for families with three or more children) and would increase the beginning point of the phase-out range for all married



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	<p>couples filing a joint return (regardless of the number of children) by \$1,880.</p> <p><b>Relief from Alternative Minimum Tax:</b> The Alternative Minimum Tax exemption for families has been raised to \$70,950 (single taxpayers to \$46,700). In addition, the dependent care credit, the American Opportunity credit and the Lifetime Learning credit can be used against the AMT. Finally, AMT calculations will exclude income from tax-exempt bonds issued in 2009 and 2010, along with 2009 and 2010 issuances to refinance bonds issued between Dec. 31, 2002 and Jan. 1, 2009.</p> <p><b>Relief for Laid-Off Workers:</b> For 2009, the act suspends federal income tax on the first \$2,400 of unemployment benefits per recipient.</p> <p><b>Child Tax Credit:</b> The refundable credit is now 15% of income in excess of \$3,000, rather than \$12,500 previously.</p>
<b>Unemployment Benefits</b>	<p><b>Increased Weekly Benefits</b> - Unemployment Compensation benefits will be increased by \$25 a week.</p> <p><b>Extended Benefit Period</b> - Individuals qualifying for Unemployment Compensation can collect benefits for up to 8 months (extended from 6 months).</p>
<b>Student Loans and Grants</b>	<p><b>Pell Grants</b> - \$15.64 billion was included for the Pell Grant program. These additional funds should provide an additional 800,000 students and their families with assistance.</p> <p><b>Increased Work-Study</b> - \$200 million was included for work-study programs. Students should fill out the <i>Free Application for Federal Student Aid</i> (FAFSA) to determine if they are eligible to receive a Federal Pell Grant or Work-Study funds.</p>
<b>Continued Healthcare Premiums</b>	<p><b>COBRA Continuation Coverage</b> – Provides individuals and their families who lost healthcare coverage with their job a premium subsidy of 65% for up to nine months. Administered by the US Department of Labor.</p>
<b>Healthcare for Native Americans</b>	<p><b>Improved Access to Healthcare</b> - Co-payments for Native American Medicaid recipients are no longer required, some types of Indian property are exempted in resource determinations for Medicaid and the Children’s Health Insurance Program making it easier for American Indians to utilize Medicaid benefits through Medicaid-managed care organizations .</p>



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BENEFITS FOR BUSINESSES

**Tax Relief**

**Bonus Depreciation:** Extension of provision allowing business to recover the costs of capital expenditures faster than normal depreciation for purchases incurred in 2009.

**Increase in Limits for Small Business Expensing:** Allows small businesses to fully write off certain capital expenses in the year they are made rather than depreciating them over time.

**5-year Carryback of Net Operating Losses for Small Business:** Permits small business to carry back net operating losses for five years, instead of the two years under current law.

**Defer Taxes on "Cancellation of Debt" Income:** Allows certain businesses to recognize "Cancellation of Debt" income over 10 years (deferring the tax for the first four or five years, and recognizing the income ratably over the following five years).

**The Work Opportunity Tax Credit:** Provides a tax credit equal to 40 percent of the first \$6,000 of wages paid to employees of one of nine targeted groups. The stimulus law adds two new targeted groups - unemployed veterans and disconnected youth.

**Loans**

**Business Stabilization Program** - \$225 million to provide loans on a deferred basis to viable small businesses that have a qualifying small business loan and are experiencing immediate financial hardship. Funds will be used to make periodic payment of principal and interest, either in full or in part, on an existing small business loan for up to 6 months.

Administered by the Small Business Administration. [www.sba.gov](http://www.sba.gov)

**Microloan Program** - \$6 million in new loan monies for very small loans to start-up, newly established, or growing small businesses. Under this program, the Small Business Administration makes funds available to nonprofit community based lenders which, in turn, make loans to eligible borrowers in amounts up to a maximum of \$35,000. Applications are submitted to the local lenders and all credit decisions are made on the local level. [www.accionnm.org](http://www.accionnm.org) or [www.wesst.org](http://www.wesst.org).

**Eliminate Fees for 7(a) Loan Guarantee Program** – Waive loan fees (3%) for the 7(a) loan program on loans approved between February 17 and December 31, 2009. Loans can be used to establish a new business or to assist in the operation, acquisition or expansion of an existing business. SBA may guarantee up to 90% of 7(a) loans. Loans may be accessed through local lenders. [www.sba.gov](http://www.sba.gov)

**Eliminate Fees for the 504 Loan Program** – Waive loan fees (3%) for all loans between February 17 and December 31, 2009. 504 loans may be used for purchasing land and improvements, including existing buildings, grading, street improvements, utilities, parking lots and landscaping; construction of new facilities, or modernizing, renovating or converting existing facilities; or purchasing long-term machinery and equipment. Loans can be accessed through the Enchantment Lands Certified Development Company (505)-843-9232 or [www.elcdc.com](http://www.elcdc.com).



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**BIA Indian Loan Guarantee Program** - \$10 million in loans for Indian-owned businesses that benefit the economy of an Indian reservation. Administered by the US Department of Interior/Bureau of Indian Affairs.

**GRANTS  
THROUGH AMERICAN RECOVERY AND REINVESTMENT ACT**

	Monies to State \$1.8 billion to New Mexico <a href="http://www.recovery.state.nm.us">www.recovery.state.nm.us</a>	Nationwide Competitive Federal Grants \$74 billion
Healthcare	<b>Medicaid</b> - \$630 million to the NM Human Services Department to pay for maintaining healthcare benefits to eligible NM recipients	<p><b>Community Healthcare Infrastructure Grants</b> - \$1.5 billion for Community Health Centers to renovate clinics and make health information technology improvements. Administered through US Health and Human Services.</p> <p><b>Community Health Services Grants</b> - \$500 million for Community Health Centers to serve more uninsured. Administered through US Health and Human Services.</p> <p><b>National Health Service Corps</b> - \$300 million for primary healthcare practitioners for grants, scholarships and loan repayments for agreeing to practice in underserved areas. Administered through US Health and Human Services.</p> <p><b>Health Care Workforce</b> - \$200 million in scholarships for individuals to pursue training as a primary health provider. Administered through US Health and Human Services.</p> <p><b>University Research Facilities</b> - \$1.3 billion to universities to renovate and equip university research facilities. Administered through National Institutes of Health.</p> <p><b>Prevention and Wellness Program</b> - \$950 million to assist state and local efforts to prevent chronic and infectious diseases.</p>



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		<p>Administered through the Centers for Disease Control.</p> <p><b>Health Information Technology Grants</b> - \$2 billion to states for planning and implementation grants to facilitate and expand electronic health information exchange.</p> <p><b>Health Information Technology Improvements</b> - \$17 billion to Medicare and Medicaid healthcare providers who use electronic health records.</p> <p><b>(Health Facilities Construction</b> see Housing and Community Development – Rural Community Facility Program)</p> <p><b>Indian Health Service and Indian Health Facilities</b> grants for new construction, maintenance and improvement programs, construction and repair of sanitation facilities, medical equipment and additional funding to upgrade and improve information technology at HIS facilities. Administered though US Department of Health and Human Services/Indian Health Service.</p>
Education	<p><b>Funding to School Districts</b> - \$260 million to distribute to local districts. Administered through NM Public Education Department.</p> <p><b>Early Childhood Education</b> - \$23 million for Early Childhood Education. Administered by NM Children Youth and Families Department.</p> <p><b>Title I</b> - \$105 million for school districts with poor children through the NM Public Education Department</p> <p><b>Special Education</b> - \$97 million for local school districts administered through NM Public Education Department</p> <p><b>Education Technology</b> - \$5.1 million for state, district and school efforts to incorporate technology into curriculum. Administered through NM Public Education Department.</p> <p><b>Governor’s Modernization and Repair</b> - \$58 million</p>	<p><b>Teacher Quality Enhancement Competitive State Grants</b> - \$100 million to states to improve the quality of the teaching workforce. Administered through US Dept of Education.</p>



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	<p>school construction, public safety or other government services, which can include education and higher education modernization, renovation, and repair. Administered through the Governor’s Office.</p>	
Transportation	<p><b>Roads and Bridges</b> - \$253 million for projects throughout the state. Distributed through the GRIP at the NM Department of Transportation.</p> <p><b>Transit Capital Assistance</b> - \$27.7 million through existing state formula. Administered by the NM Department of Transportation.</p>	<p><b>Transit Capital Assistance</b> - \$100 million for local transit authorities to improve energy efficiency reduce oil consumption. Administered by the US Dept of Transportation</p> <p><b>Surface Transportation Grants</b> - \$1.5 billion to state and local governments or transit authorities. Must have significant regional impact. Eligible projects include highway and bridge projects, public transportation projects, passenger and freight rail projects, and port infrastructure investments</p> <p><b>Capital Rail</b> – \$8 billion awarded to states for rail projects.</p> <p><b>Indian Reservation Roads</b> - \$310 million to tribes for improving BIA roads, bridges, and reservation transit systems. Administered through the US Department of Transportation.</p>
Public Assistance	<p><b>Food Stamps</b> - \$152.5 million to Human Services Department.</p> <p><b>Community Services Block Grant</b> - \$5.1 million to NM Human Services Department for local community action agencies to service the growing number of low-income families hurt by the economic crisis, such as housing and mortgage counseling, jobs skills training, food pantry assistance, as well as benefits, outreach, and enrollment.</p>	
Water/Clean-up	<p><b>Clean Water Revolving Loan Fund</b> - \$19.5 million to New Mexico Environment Department/Construction Programs (No match required) www.nmenv.state.nm.us</p>	<p><b>Rural Water and Waste Disposal</b> - \$1.3 billion for loans and grants to regional, local, non-profit, and tribal organizations for the development of water and waste disposal systems in rural areas and towns with a population below 10,000. Administered</p>



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	<p><b>Drinking Water Revolving Loan Fund</b> - \$19.7 million to New Mexico Environment Department/Construction Programs (No match required) www.nmenv.state.nm.us</p>	<p>through USDA. <b>Brownfield Grants</b> - \$100 million to local governments and non-profits for job training, assessment and technical assistance. (No cost share) Administered through the US Environmental Protection Agency. <b>Diesel Emission Reduction Program</b> - \$210 million to school districts, local and tribal govts, and non-profits thru EPA to create programs which reduce emissions and clean air. Administered through the US Environmental Protection Agency.</p>
<p>Housing and Community Development</p>	<p><b>Public Housing Capital Fund</b> - \$8.5 million to NM Public Housing Authorities to make capital repairs and improvements to public housing. <b>Homeless Prevention Fund</b> - \$17 million to state and City of Albuquerque for short- or medium-term rental assistance; housing search and security or utility deposits; and other homelessness prevention and rapid re-housing activities. <b>CDBG Block Grants</b> - \$5.7 million to NM Department of Finance and Administration /Local Governments Division for a variety of community development, economic development, and affordable housing purposes.</p>	<p><b>Public Housing Capital Fund</b> - \$1 billion to public housing authorities to make capital repairs and improvements to public housing, including energy conservation measures Administered through US Department of Housing and Urban Development. <b>Neighborhood Stabilization Program</b> - \$2 billion to states and local governments, and non-profits to redevelop abandoned and foreclosed homes in areas of greatest need. Administered through US Department of Housing and Urban Development. <b>Lead Hazard Reduction Program</b> - \$100 million to state and local governments and non-profits to remove lead paint hazards in low-income housing. Administered through US Department of Housing and Urban Development. <b>Rural Community Facilities Program</b> - \$130 million loans and grants to regional, state, local, and tribal organizations for the construction or maintenance of rural community facilities, including hospitals, health clinics, and child and elder care facilities. Administered through USDA/Rural Development Administration. <b>Economic Development Administration Assistance Grants</b> - \$100 million to local, tribal and state governments, non-profits and universities for planning, technical and infrastructure</p>



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		<p>assistance for communities who have severe job loss as a result of corporate restructuring. Administered through the Department of Commerce. Applications being accepted as of March 10, 2009.</p>
<p>Energy/ Weatherization</p>	<p><b>State Energy Program</b> - \$31.8 million to adopt renewable technologies. Funds administered through the NM Energy Mineral and Natural Resources Department.</p> <p><b>Weatherization Assistance Program</b> - \$28.9 million for energy efficiency measures for low-income homeowners. Administered through the NM Mortgage Finance Authority. <a href="http://www.nmmfa.org">www.nmmfa.org</a></p> <p><b>Energy Efficient Appliance Rebate Program</b> – provides rebates to consumers for purchase of certain energy efficient appliances administered through the Energy Mineral and Natural Resources Department.</p> <p><b>Energy Efficiency and Conservation Block Grant</b> - \$20 million to local, tribal government and non-profits for projects which reduce overall energy consumption. \$9 million in competitive grants. The remainder distributed on formula basis to cities, counties and tribes. Administered through the Energy, Minerals and Natural Resources Department. <a href="http://www.emnrd.state.nm.us/ecmd/">www.emnrd.state.nm.us/ecmd/</a>.</p>	<p><b>Energy Efficiency and Renewable Energy</b> - \$16.8 billion to state and local governments, universities and national labs for innovative projects using biomass, geothermal, hydrogen fuel cells, solar, wind and hydropower in building technologies and emergency preparedness . Administered through US Department of Energy.</p> <p><b>Biomass</b> - \$800 million for industry and universities for research and development and demonstration projects converting biomass to fuel. Administered through the US Department of Energy.</p> <p><b>Geothermal</b> - \$400 million to industry and universities for research, development and demonstration projects which advance the use of geothermal technologies. Administered through the US Department of Energy.</p> <p><b>Advanced Battery Manufacturing</b> - \$2 billion for industry to support manufacturing of advanced batteries and components; and to provide facility funding to manufacturers of advanced battery systems and vehicle batteries that are produced in the United States, including advanced lithium ion batteries, hybrid electrical systems, component manufacturers, and software designers. Administered through the US Department of Energy.</p> <p><b>Alternative Fuels Pilot Vehicle Program</b> - \$300 million for state and local governments, non-profit or private entities to establish use of plug-in electrical vehicles. Administered through the US Department of Energy.</p> <p><b>Transportation Electrification</b> - \$400 million to state and local</p>



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		<p>governments and transportation authorities for electric transportation projects that reduce emissions, such as truck stop electrification, airport ground support equipment and cargo handling equipment. Administered by the US Department of Energy.</p> <p><b>Smart Grid Investment Program</b> - \$4.5 billion to electric utilities; equipment manufacturers; regional, state, and local agencies; national laboratories; and universities for pilot projects which enhance security and reliability of energy infrastructure, and facilitate recovery from disruptions to the energy supply. Administered by the US Department of Energy.</p> <p><b>Fossil Energy Research and Development Program</b> - \$3.2 billion for private sector and universities for innovative research and development projects which reduce pollution and emissions. Administered through the US Department of Energy.</p> <p><b>Science Program</b> - \$1.6 billion to universities, non-profit and private organizations for fundamental research programs in basic energy sciences, biological and environmental sciences, and computational science. Administered through the US Department of Energy.</p> <p><b>Advanced Research Projects Agency</b> - \$400 million to universities, companies, research foundations, trade and industry research collaborations, or consortia of such entities for research to accelerate the innovation of energy sources. Administered through the US Department of Energy.</p>
Workforce	<p><b>Employment Training Services for Adults</b> - \$2.7 million to NM Department of Workforce Solutions for training and education for adults who have been laid-off or need to enter the workforce.</p> <p><b>Employment Training Services for Dislocated Workers</b> - \$3.5 million to NM Department of Workforce Services</p>	<p><b>Dislocated Worker Assistance National Reserve</b> - \$200 million awarded by Secretary of Labor Secretary of Labor to respond to plant closings, mass layoffs and other worker dislocations.</p> <p><b>Youthbuild</b> - \$50 million to local organizations that provide services for at-risk youth, who gain education and occupational credentials while constructing or rehabilitating affordable</p>



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	<p>for training and education of adults  <b>Employment Training Service for Youth</b> -\$6.3 million to NM Department of Workforce Solutions for job training and education of young people through age 24.  <b>Employment Services</b> - \$3.3 million to NM Department of Workforce Solutions to assist in job searches for people on unemployment.</p>	<p>housing. Administered through US Department of Labor.  <b>Green Jobs</b> - \$500 million to train workers in energy efficiency and renewable energy jobs. Administered through US Department of Labor.  <b>Job Corps Offices</b> - \$250 million for construction and modernization of Job Corp residential facilities serving at-risk youth. Administered through US Department of Labor/Office of Jobs Corps.  <b>Sector Partnership Grants</b> - \$400 million for partnerships between industry, state and local governments, firms, local labor and workforce investment boards, and educational institutions to strengthen and revitalize industries. Administered through the US Department of Labor.  <b>Community College and Career Training Grants</b>- \$40 million for colleges serving students eligible for the trade adjustment assistance program.</p>
<p>Public Safety</p>	<p><b>Governor’s Modernization and Repair</b> - \$58 million for school construction, public safety or other government services, which can include education and higher education modernization, renovation, and repair. Administered through the Governor’s Office.  <b>Edward Byrne Memorial Justice Assistance Grants</b> - \$18.3 million for state and local police forces to help prevent, fight, and prosecute crime. NM Department of Public Safety.  <b>STOP Violence Against Women Formula Grant Program</b> - \$1.4 million to state, local and tribal courts, and non-profits for improving services for violent crimes against women. Administered by the NM Crime Victims Reparation Commission.  <b>Internet Crimes Against Children Task Force</b> - \$694,000</p>	<p><b>Assistance to Firefighters Grants</b> - \$210 million for state and local governments to construct, modify, or upgrade fire stations. Administered through the Federal Emergency Management Agency  <b>Staffing for Adequate Fire and Emergency Response Grant Program</b> – requirements for matching funding for grant recipients in 2009 and 2010 is waived.  <b>Edward Byrne Competitive Grants</b> - \$225 million for local police forces to help prevent, fight, and prosecute crime. Administered through the US Department of Justice. Deadline to apply April 27, 2009.  <b>Youth Mentoring Program</b> - to support community partnerships that develop, implement, or expand local mentoring programs leading to measurable, positive outcomes for at-risk youth. Administered by the US Department of Justice.</p>



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	<p>to assist state and local investigators. Administered through the NM Attorney General’s Office.</p>	<p>Deadline to apply April 20, 2009.</p> <p><b>Community Oriented Policing Services (COPS) Hiring Grants</b> - \$1 billion for hiring of additional career law enforcement officers. Deadline to apply April 14, 2009.</p> <p><b>Rural Law Enforcement Anti-Drug Grants</b> - \$125 million for rural law enforcement agencies to address drug crimes in their communities. Administered through the US Department of Justice. Deadline to apply April 22, 2009.</p> <p><b>Transitional Housing Assistance Program</b> - \$50 million for states, tribes, and non-profit organizations to assist victims of domestic violence in need of short-term transitional housing assistance and support services. Administered through the US Department of Justice.</p> <p><b>Combating Criminal Narcotics on the Southwest Border</b> - Competitive grants for law enforcement agencies, non-profit organizations and others for initiatives that combat criminal narcotics activity in the U. S. southern border. Administered through the US Department of Justice. Deadline to apply April 17, 2009</p>
Broadband		<p><b>Rural Broadband Initiative</b> - \$7.2 billion for loans, grants, and grant guarantees for broadband infrastructure in rural, unserved, and underserved areas of the country without sufficient access to high speed broadband service. Administered through the Department of Commerce/National Telecommunications and Information Administration and USDA/Rural Development Administration. Currently taking public comment through April 13, 2009 on criteria.</p>



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Child Care	<p><b>Child Care and Development Block Grant</b> - \$17.8 million for subsidized child care services through vouchers or contracts with providers to low-income working families and low-income families in which parents are engaged in education or training. NM Children, Youth Families Dept.</p> <p><b>Head Start</b> - \$5.7 million directly to established NM Head Start programs to provide development, educational, health, nutritional, social and other activities that prepare children to succeed in school.</p> <p><b>Early Head Start</b> - The state will receive additional funds for the Early Head Start Program – the amount has not been determined yet.</p>	
Arts	<p><b>National Endowment of the Arts</b> – Approximately \$400,000 to New Mexico Arts/ Western States Arts Federation for arts projects and activities which preserve jobs in the non-profit arts sector threatened by declines in philanthropic and other support during the current economic downturn. Administered through New Mexico Department of Cultural Affairs.</p> <p><a href="http://www.nmarts.org">www.nmarts.org</a></p>	<p><b>National Endowment of the Arts</b> - \$30 million for nonprofit organizations including arts organizations, local arts agencies, statewide assemblies of local arts agencies, arts service organizations, units of state or local government, and a wide range of other organizations. All applicants must be previous NEA award recipients from the past four years. Grants must be used to fund arts projects and activities which preserve jobs in the non-profit arts sector. Administered through the National Endowment for the Arts and Humanities.</p>



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### MORE INFORMATION

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#### Websites

[www.recovery.state.nm.us](http://www.recovery.state.nm.us)

[www.recovery.gov](http://www.recovery.gov)

[http://bingaman.senate.gov/policy/stimulus\\_guide.cfm](http://bingaman.senate.gov/policy/stimulus_guide.cfm) (Integrated Guide to the American Recovery and Reinvestment Act compiled by the New Mexico Congressional Delegation)

[www.indiancountryworks.org](http://www.indiancountryworks.org)

[www.nmmfa.org](http://www.nmmfa.org)

[www.grants.gov](http://www.grants.gov)

(summary of benefits for Native American Communities in the stimulus bill)

(information on weatherization program)

(complete listing of all federal grant opportunities)