

## **Hiring Incentives to Restore Employment HIRE Act (HR 2847)**

### ***Key Transportation Issues:***

1. Extends SAFETEA LU through the end of the calendar year, December 31, 2010;
2. Returns the apportionment formulas back to the level that they would have been had there not been an \$8.9 billion rescission at the end of Federal Fiscal Year 2009;
3. Returns the apportionments rescinded in 2009 back to States, but they must be returned to the programs from which they were taken;
4. Ends additional apportionments for the Projects of Regional and National Significance Program, National Coordinated Infrastructure Improvement Program, High Priority Projects Program, and Transportation Improvements Program and instead will take those funds and distribute them to the previous recipient states through 6 of the "core" formula programs;
5. Reaffirms a commitment of 10 percent of continuing apportionments for Disadvantaged Business Enterprises unless a state is under a court order or has an exemption granted by the Secretary of US DOT; and
6. The bill also includes other non transportation related provisions providing tax credits and other revenue enhancements to employers for creating jobs. It does not include any additional funds for transportation infrastructure similar to what we have seen under the Recovery Act.
7. Signed into law on March 18, 2010; became Public Law, PL 111-147.

### ***Earmark Treatment Senate vs. House:***

#### **Senate (retained in the HIRE Act):**

- Ends PNRS, NCII, TI, and HPP
- Distributes funds to states in proportion to how much they received from those programs in previous years.
- Funds returned through half of the core programs (EB, CMAQ, STP, IM, NHS, Bridge)
- Net effect: 4 states, including California receive a disproportionately higher share of funds; California receives a \$200 million "bump" in its apportionments for FY 2010 (\$5.5 billion)

#### **House:**

- Ends PNRS, NCII, TI, and HPP
- Distributes funds to states in proportion to how much they received from the core formula programs in SAFETEA LU.
- Funds returned through all 12 of the core programs
- Net effect: Funding from program is distributed to all states; no state gets a share that is greater than what it would have gotten if the funds had not originally been earmarked in SAFETEA LU. California receives less in apportionments (\$5.3 billion).

#### **Status:**

As a condition of approval for the HIRE Act, Senator Reid, Speaker Pelosi, and Chairman Oberstar reached agreement that the House formula would be passed by the Senate in a separate bill. The formula was added to the 3 month extension bill, HR 4853 in the Senate, which resulted in Senator Boxer placing a hold on the bill because of the funding reduction to California. Senate leadership will need to reach a compromise before moving forward, otherwise the Senate formula prevails and California will get a "bump" in its apportionments.