



CONGRESSIONAL BUDGET OFFICE  
*U.S. Congress*  
*Washington, DC 20515*

January 30, 2009

Honorable David R. Obey  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

The Congressional Budget Office has analyzed H.R. 1, the American Recovery and Reinvestment Act of 2009, as amended and passed by the House of Representatives on January 28, 2009. The following table summarizes our estimate of the budgetary impacts of that legislation; a more detailed table is enclosed. Over the 2009-2019 period, CBO estimates that enacting H.R. 1 would increase budget deficits by about \$820 billion.

CBO's estimate of the budgetary impact of H.R. 1, as passed by the House of Representatives, is about \$3.7 billion greater over the 2009-2019 period than the corresponding amounts shown in CBO's January 26, 2009, cost estimate for the version of H.R. 1 that was introduced on that day. That difference is attributable to four provisions adopted by the House of Representatives. An amendment to increase funding for the Department of Transportation's transit programs by \$3.0 billion accounts for most of the added costs over the 2009-2019 period.

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**ESTIMATED BUDGETARY IMPACT OF H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, AS PASSED BY THE HOUSE OF REPRESENTATIVES ON JANUARY 28, 2009**

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	By Fiscal Year, in Billions of Dollars											
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2009-2019
<b>DIVISION A—APPROPRIATIONS <sup>a</sup></b>												
Estimated Budget Authority	276.9	66.5	4.1	3.6	2.8	1.4	1.4	1.4	1.4	0.9	0.4	361.0
Estimated Outlays	29.0	115.9	106.2	54.2	27.1	13.4	7.0	3.0	1.6	0.9	0.4	358.8
<b>DIVISION B—DIRECT SPENDING <sup>b</sup></b>												
Estimated Budget Authority	78.4	121.1	56.6	7.1	7.1	15.0	5.0	-4.5	-3.6	-2.0	-1.6	278.5
Estimated Outlays	78.1	120.5	57.3	7.3	7.1	15.0	5.0	-4.5	-3.6	-2.0	-1.6	278.5
<b>DIVISION B—REVENUES <sup>b</sup></b>												
Estimated Revenues	-62.5	-119.7	-11.2	12.2	8.1	4.1	0.7	-1.7	-3.4	-4.2	-4.8	-182.3
<b>NET IMPACT ON THE DEFICIT</b>												
Net Increase in the Deficit	169.6	356.1	174.6	49.3	26.1	24.4	11.3	0.3	1.4	3.0	3.5	819.5

Sources: Congressional Budget Office and the Joint Committee on Taxation (JCT).

Note: Components may not sum to totals because of rounding.

- a. Most of the spending for Division A would stem from discretionary appropriations. The totals include about \$29 billion in 2009-2019 changes to mandatory programs that are contained in Division A.
- b. The Congressional Budget Office, in consultation with JCT, has concluded that the subsidy for health insurance assistance for the unemployed should be treated as an increase in outlays rather than a decrease in revenues. Although this treatment is different from that in the table provided in our estimate for H.R. 1 as introduced on January 26, the overall effect on the budget remains the same for each year. JCT has also adjusted its estimates of the mix of revenue losses and outlay increases associated with certain refundable tax credits; that change also has no effect on the budget totals for each year.

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I hope this information is helpful to you. If you would like further details about this estimate, the CBO staff contact is Janet Airis.

Sincerely

Douglas W. Elmendorf  
Director

Enclosure

cc: Honorable Jerry Lewis  
Ranking Member

Honorable David R. Obey  
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Honorable John M. Spratt Jr.  
Chairman  
Committee on the Budget

Honorable Paul Ryan  
Ranking Member

Honorable Charles B. Rangel  
Chairman  
Committee on Ways and Means

Honorable Dave Camp  
Ranking Member

Honorable Henry A. Waxman  
Chairman  
Committee on Energy and Commerce

Honorable Joe Barton  
Ranking Member