



CPPP RELEASES *THE TEXAS RECOVERY PLAN*

New Report Offers County-Level Impacts and Outlines Actions Needed to Obtain Federal Recovery Money for Texas Public Structures

Austin, Texas—The Center for Public Policy Priorities (CPPPP) today released *The Texas Recovery Plan*, an analysis of the economic impact of federal recovery dollars for Medicaid, Food Stamps, and Unemployment Insurance (UI) for each Texas county. The report also summarizes the actions the Texas Legislature must take to maximize the benefit of the federal recovery funding.

“Our state created public structures like Medicaid, Food Stamps, and Unemployment Insurance to keep families and the state economy afloat in times like these. Years of neglect undermined these structures, and we’ll need to repair them to get out of this mess. Fortunately, the federal economic recovery law makes resources available to help repair and improve these systems. But, Texas will only get the funds—and the needed improvements to our public structures—if state policymakers make the right choices, soon,” CPPPP Executive Director F. Scott McCown said.

The American Recovery and Reinvestment Act (ARRA) provides almost \$8 billion in enhanced funding for Medicaid health care, Food Stamps, and Unemployment Insurance (UI) reforms, in addition to \$30 billion in other spending and tax credits. Each of these structures, properly resourced and repaired, can have a huge economic impact on Texas. ARRA provides:

- \$5.45 billion in Medicaid money for 2009-2011. Each \$1 in Medicaid spending generates \$3.25 in economic activity. **Total economic benefit for Texas: \$17.7 billion.**
- A temporary increase in Food Stamp benefits and opportunities to enroll a larger share of eligible Texans in 2009-2011. Each \$1 dollar in Food Stamp benefits generates \$1.84 in economic activity. **Total economic benefit for Texas: \$2.9 billion.**
- \$555 million in reform incentive money for Unemployment Insurance benefits for jobless Texans. Each \$1 in UI benefits generates \$2.66 in economic activity. **Total economic benefit for Texas: \$1.5 billion.**

The Texas Recovery Plan summarizes the actions the Texas Legislature must take to maximize the benefit of the federal recovery funding, including:

- Spending every new Medicaid dollar on health care without reducing existing state Medicaid spending,
- Fixing our broken eligibility system to ensure that eligible Texans can access federal benefits such as Food Stamps and Medicaid, and
- Adopting simple reforms to our UI system required by Congress to qualify for expanded aid for unemployed workers.

County-by-county breakdowns of estimated economic benefits for each of these investments can be found on CPPPP’s website at <http://www.cphp.org/research.php?aid=842>.

The Center for Public Policy Priorities is a nonpartisan, nonprofit policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans. You can learn more about CPPPP’s work at <http://www.cphp.org>.

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