

Special Bulletin

MAY 2009

The American Recovery and Reinvestment Act of 2009: Act Appropriations Beneficial to the Nonprofit Sector and Key Resources for Organizations to Approach and Access Funding Sources

Researched and written at the Center on Philanthropy at Indiana University

On February 13, 2009, the One Hundred Eleventh Congress passed the American Recovery and Reinvestment Act of 2009.¹ This act provides spending and tax cuts initiatives aimed at stimulating the economy. Section 3(a), “Purposes and Principles,” of the Act reads that the “President and the heads of Federal departments and agencies shall manage and expend the funds made available in this Act so as to achieve the purposes specified in subsection (a), including commencing expenditures and activities as quickly as possible consistent with prudent management” in order to:

1. Preserve and create jobs and promote economic recovery.
2. Assist those most impacted by the recession.
3. Provide investments needed to increase economic efficiency by spurring technological advances in science and health.
4. Invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
5. Stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

The passage of the American Recovery and Reinvestment Act of 2009 (“ARRA” or “Act”) offers nonprofit organizations opportunities to acquire desperately needed funding relief to sustain current programs and to access novel forms of funding to implement new and innovative programs. Nonprofit organizations seeking

funds through the Act will require a sense of urgency, engagement in an adept research strategy, and diligence in monitoring the grant process.

Funding is moving through the pipelines rapidly, and ascertaining how to apply for available funds is a daunting task. This newsletter contains hotlinks to numerous sites and resources to help speed the task. In an effort to enhance transparency, each office at the federal level has created an American Recovery and Reinvestment Act website. Each federal office website outlines its own ARRA funding allocation and a detailed plan regarding use of the funds. Links are provided for relevant subprograms and state allocations.

Timeline of ARRA Funding

2/13/2009	H.R. 1 Passed by the House
2/17/2009	H.R. 2 Passed by the Senate
2/19/2009	Federal agencies reported their block grant awards.
3/3/2009	Federal agencies reported their use of funds.
Spring	Agencies accepting proposals. Timelines vary. Check carefully.
5/3/2009	Federal agencies begin to report about their allocations of entitlement awards.
5/20/2009	Federal Agencies begin to report on progress of Competitive Grants and Contracts.
7/15/2009	Federal funding recipients begin to report on their use of funds.

Researching Grants

The Act's economic provisions touch all levels of civil society and penetrate all governmental levels and sectors, commencing from the Federal level and filtering through state and local governments. Because of the "filtering" nature of the ARRA's provisions, categorization of provisions is both complex and dynamic.

We provide a categorization of grants according to the initial government entity in which grant money was allocated. This type of categorization will provide the most effective means for nonprofit organizations to identify grants according to organizational need or the population the organization serves.

Nonprofit agencies may apply for grants appropriated through the Act at each level of government—local, state, and federal. The level in which a nonprofit seeks funding will ultimately depend on the nonprofit subsector in which the applicant organization is categorized (i.e. health and human services or arts) and the nature of the grant (i.e. emergency relief or capacity building). The pace of grant awards and the application processes will vary across the subsectors and by level of government that is disbursing the funds. States and localities are processing their stimulus funds differently from one another. Nonprofit applicants will need to be familiar with their own jurisdiction's procedures.

To research ARRA provisions and federal level grants, visit:
[ARRA plan](#) & www.grants.gov

To research ARRA provisions at the state level and state-level progress, visit:
[ARRA at the State Level](#)

To research ARRA provisions at the local level, visit your state's website or local government website.
If a state ARRA website is not available, visit your governor's website.

The rest of this Special Bulletin contains information about federal departments and the funds appropriated to them under ARRA. Federal units are in alphabetical order, with departments listed by their focus area (Energy, Homeland Security, etc.). Hotlinks are provided to help nonprofit organizations get immediate access to the most current information.

Federal agencies receiving funds relevant to the nonprofit sector

The [Community Development Institutions Fund](#) will administer \$90 million to Community Development Financial Institutions (CDFIs) in the form of monetary awards and the allocation of tax credits. CDFI funding promotes locally-based organizations access to capital in order to promote "local economic growth in urban and rural low-income communities across the nation." Some activities that such funding supports include housing development and the development of community financial services, including banking and financial literacy. While nonprofits may not directly benefit from this ARRA allocation, organizations may secondarily benefit by an increased access to funding and community resources.

[Corporation for National and Community Service](#): \$201 million "to support an expansion of AmeriCorps State and National and AmeriCorps VISTA programs," including "Senior Corps, AmeriCorps, VISTA, NCCC, and Learn and Serve America." These community and national service programs work to provide "hope and help to people facing economic and social needs."

[Department of Agriculture](#): \$28 billion was appropriated for the USDA. Nearly \$20 billion has been appropriated to increase the monthly amount of nutrition assistance to 31.8 million people." Nutrition assistance programs include child and adult care nutrition programs, school lunch and breakfast programs, and summer food service programs.

[Department of Education](#): \$100 Billion to "strengthen education, drive reforms, and improve results for students from early learning through college."

[State Fiscal Stabilization Fund](#): \$53 billion dollars has been allocated to the fifty states, with nearly 81 percent to support early childhood education programs and elementary, secondary and post-secondary education initiatives. Nearly 18 percent has been allocated towards public safety initiatives related to primary education provisions.

[Title I](#): \$13 billion to support programs for disadvantaged students. Ten billion dollars will support "Local Education Agencies (LEAs) for schools that have high concentrations of students from families that live in poverty in order to help improve teaching and learning for students most at risk of failing to meet state academic achievement standards." Three billion dollars has been allocated to school improvement projects.

[Special Education](#): \$12.2 billion “to provide states, LEAs, and early intervention service providers to implement innovative strategies to improve outcomes for infants, toddlers, children, and youths with disabilities.” Over \$11 billion has been allocated to Part B Grants to states; \$400 million to Part B Preschool Grants; and \$500 million to Part C Grants for Infants and Families.

Broadband Technologies Opportunity Program²: \$4.7 billion allocated to provide access to broadband technology for populations in currently un-served areas and to provide training to schools, medical providers, colleges, libraries and community organizations to enhance and use of broadband technology by these organizations and traditionally underserved populations.

[Impact Aid Construction](#): \$39.6 million to support construction activities at “179 local educational agencies (LEAs) that are eligible as a result of their enrollment of certain numbers and types of federally connected children for whom they receive funds under section 8003 of the Impact Aid Program.”

[McKinney-Vento Homeless Assistance](#): \$70 million “to assist States and local educational agencies (LEAs) in addressing the educational and related needs of some of the most vulnerable members of our society – homeless children and youth – during a time of economic crisis in the United States.”

[Independent Living Recovery Funds](#): \$140 million to provide and support services for persons with significant disabilities, including Centers of Independent Living and OIB programs.

[Department of Energy](#): Over \$3.2 billion in formula grants has been allocated to U.S. states, territories, local governments and Indian tribes under the Energy Efficiency and Conservation Block Grant (EECBG) Program through ARRA. Over \$16 million dollars awarded to “Energy Efficiency and Renewable Energy” projects and programs to assist in funding of “Energy Efficiency Retrofits” and programs; enhancing energy conservation technologies; “Material Conservation Programs,” including recycling; and other programs.

[Department of Health and Human Services](#): The DHHS was allocated \$27.9 billion in funding for a variety of programs. For each program area follow the links to receive state specific information regarding grant funding.

[Adoption Assistance and Foster Care Programs](#): \$187 million to “support adoption assistance and foster care programs in all 50 states and the District

of Columbia. Nearly \$98 million will support adoption assistance programs, while nearly \$89 million will go to foster care programs.” Follow state links for nonprofit grant opportunities at the state level.

[Child Care Development Fund](#): \$2 billion to “allow states across the country to support child care services for more families whose children require care while they are working, seeking employment or receiving job training or education. The funds will be used by states to provide vouchers to families for child care or to provide access to care through contracts with child care centers.”

[Community Health Centers](#): \$2 billion “to serve more patients, stimulate new jobs, and meet the significant increase in demand for primary health care services among the nation’s uninsured and underserved populations.” Community Health Centers provide services such as “pharmacy, mental health, substance abuse and oral health treatment, as well as supportive services that promote access to health care and ensure patient well-being.”

[Community Services Block Grant](#): \$1 billion to revitalize low-income communities and to empower low-income families via the development and sustainment of programs that address issues of poverty in urban and rural areas.

[Comparative Effectiveness Research Funding](#): \$1.1 billion to support healthcare research.

[Immunization Grant Program](#): \$250 million to develop vaccinations and sustain vaccination programs, \$18 million to support entities that create innovative approaches to increase the percentage of Americans who receive childhood vaccinations, and \$ 32 million to fund programs that enhance public communication and education regarding the importance of immunization and to “strengthen the evidence base for immunization.”

[Medicaid Relief](#): \$15 billion to bolster the Federal Medical Assistance Percentage (FMAP) provided to the states in sustaining the Medicaid program. States will receive an additional 6.2% of funding support to assist with the enrollment of an additional 20 million citizens in the Medicaid program.

[Senior Nutrition Programs](#): \$100 million to provide meals through community senior nutrition programs, “including \$65 million for congregate nutrition services provided at senior centers and other

community sites; \$32 million for nutrition services delivered to frail elders at home; \$3 million for Native American nutrition programs.

Temporary Assistance for Needy Families (TANF):

\$ 5 billion block grant to provide emergency contingency fund to enhance support for this state program. This program provides services for families with children to transition from welfare to work by assisting with the development of vocational skills, employment placement, child care services, and case assistance.

Department of Homeland Security: “The total amount going to DHS and to the General Services Administration (GSA) in support of DHS programs is \$3.5 billion.” Of particular interest to nonprofit organizations might be the \$100 million allocation towards Emergency Food and Shelter Programs.

Department of Housing and Urban Development:

Seventy-five percent of the \$13.61 billion allocated to HUD by the Act was allocated to state and local recipients in February 2009 to generate jobs, modernize housing structures to increase energy efficiency, and assist families hit by the recession. The additional funding will be awarded via grant competition in the upcoming months.

Public Housing Capital Fund: \$ 4 billion to renovate public housing.

Native American Housing Block Grants: \$510 million to Native American housing programs for renovations and “energy efficient modernization.”

Assisted Housing Energy Retrofit: \$250 million to HUD housing programs throughout the nation for “energy efficient modernization” and renovation.

Lead Hazard Reduction: \$100 million to provide assistance to lead reduction programs.

Community Development Block Grants: \$1 billion to state and local governments for investment in community development programs that rehabilitate housing structures.

Homelessness Prevention: \$1.5 billion to prevent homelessness via funding of relevant programs that provide housing and vocational assistance.

Department of Interior: \$1 billion to invest in water infrastructure, including \$450 million for Title XVI water recycling projects and rural water; \$165 million infrastructure throughout the states; \$235 million in “environmental and ecosystem restoration;” \$40 million for water conservation; \$14 million for Green Buildings;

\$50 million for a water delivery system to Utah; and \$40 million for drought relief in California.

Department of Justice: Four billion dollars will be allocated to state and local law enforcement agencies and other criminal and juvenile justice programs. “The Office of Justice Programs (OJP) which provides federal leadership in developing the nation’s capacity to prevent and control crime, administering justice, and assisting victims, will administer \$2.76 billion of this funding.” Most DOJ grants will be allocated towards state programs. Nonprofit agencies are encouraged to visit their local or state government websites for specific grant opportunities.

Department of Labor: \$3.95 billion allocated through the Workforce Investment Act (WIA) to provide grants for dislocated workers, adults and youth.

Vocational Rehabilitation: \$540 million to help individuals with disabilities “prepare for, obtain, and maintain employment,” including \$500 million for adult employment and training; \$1.2 billion on creating youth summer employment and year-round activities that are vocationally oriented; \$1.25 billion for dislocated worker employment and training programs; \$750 million in grants for “worker training and placement in high growth and emerging industry sectors;” \$500 million in grants for “research, labor exchange, and job training projects that prepare workers for careers in energy efficiency and renewable industry industries;” and \$50 million for YouthBuild programs.

National Endowment of the Arts: \$50 million to assist in funding “arts projects and activities which preserve jobs in the non-profit sector.” Sixty-percent of funds from this grant, after the deduction of administrative costs will be allocated directly to the nonprofit sector via a competitive grant process. Individual grant amounts will be awarded in increments of \$25,000 and \$50,000. Organizations may apply directly to the state, to the NEA, to regional organizations, or to local governmental arts organizations. Grantees from past four years are eligible.

National Science Foundation: \$3 billion to assist in funding scientific research at universities and research facilities across the country and to provide financial assistance to graduate students pursuing careers in science.

The National Council of Nonprofits issued a series of reports about the ARRA. The most recent of those came out on April 14, 2009. It presents a summary of

information from a White House Briefing and links to handouts from that event. The briefing was organized for participants “to learn about how the ARRA funds are being distributed in the various departments and how you as organizations can participate.” You can access the special reports at http://www.councilofnonprofits.org/stimulus_briefing_7 contains the information from the White House event held April 9.

A final note: Tax provisions under ARRAs might be of particular interest to some nonprofits. These provisions³ may “provide incentives for individuals, banks and others to invest in ‘private activity bonds’ which are tax-exempt bonds used by charities to fund building projects and other capital improvements.” Nonprofits should refer to the [ARRA Bill](#) for details or to the [IRS](#) website section on charities and nonprofits.

Acknowledgement: The research for this Special Bulletin was conducted by Melanie A. Miller, graduate student in Philanthropic Studies at Indiana University-Purdue University Indianapolis.

Endnotes:

- ¹ http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf
- ² National Council of Nonprofits (Feb., 23, 2009). Federal Economic Stimulus Legislation: Nonprofit Grant Opportunities. Special Report, Number 1.
- ³ <http://lawprofessors.typepad.com/nonprofit/2009/02/economic-stimul.html>



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