

The American Recovery and Reinvestment Act of 2009

Opportunities for Children and Family Services

Social Entrepreneurs, Inc.

RESEARCH BRIEF

May 1, 2009



What's Inside

Overview of the Act	1
Getting Ready to Access ARRA Funds	2
Funding Opportunities for Local Services	3
Other Provisions of Note	6
Websites to Know	7

The American Recovery and Reinvestment Act of 2009 (ARRA), often simply referred to as the federal stimulus package, contains a multitude of funding allocations to support education and community services. This brief identifies the opportunities within ARRA to obtain funding specifically for local early childhood development and family support services, and offers suggestions for preparing to access those opportunities.

Overview of the Act

ARRA contains a one-time set of appropriations totaling \$787 billion, intended to achieve the following purposes specified in the Act:

1. To preserve and create jobs and promote economic recovery.
2. To assist those most impacted by the recession.
3. To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
4. To invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.
5. To stabilize State and local government budgets, in order to minimize and avoid

reductions in essential services and counterproductive state and local tax increases.

It is important to understand these purposes because applications to tap ARRA funds must be able to show how they meet one or more of the purposes of the Act. It also must be emphasized that these are short-term funds expected to be allocated and spent by 2010.

Strict accountability measures, including data collection and reporting, should be expected for all activities funded under ARRA. As noted in a press release by the President's budget chief, "the administration is committed to investing Recovery Act dollars with an unprecedented level of transparency and accountability so Americans know where their tax dollars are going and how they are being spent."

Given the strong emphasis on accountability and transparency, separate funding processes will be conducted for ARRA funds rather than simply adding stimulus funds into allocations of previously established federal funding streams. There are four main ways that ARRA funds not expended directly by federal agencies will flow:

1. Allocation to a state agency after approval of a state plan or application, with funds administered directly by the state.
2. Allocation to a state agency which then distributes funds to local entities.
3. Direct allocation to local entities (counties, school districts, etc.).
4. Competitive grants distributed directly to entities selected for grant awards.

An estimated \$85 billion in federal economic stimulus funds will come to California over the next two years. The following chart shows the general distribution of those funds.

	Billions
Health & Human Services	15.4
Education	11.8
Labor	8.5
Transportation	4.0
Science & Technology	1.9
Energy	1.3
Other	1.1
Housing	0.9
Water & Environment	0.7
Public Safety	0.4

* Additionally Californians will receive an estimated \$35.4 Billion in Tax Relief.

Source: State of California

Getting Ready to Access ARRA Funds

ARRA offers a unique opportunity to get new funding for vital services to assist children and families, but should not be viewed as simply a “money grab.” Following are suggestions for preparing to quickly but strategically pursue ARRA funds that fit your specific situation.

1. **Read the Act.** Use this brief to help identify ARRA provisions that may apply to your organization and constituents, but then look at the actual language of the Act before deciding which opportunities to consider further. In this way, you can make sure there are not special provisions in the Act that will prevent your organization from receiving an award. A website to access the full Act is listed at the end of this brief.
2. **Stay within your mission.** Look closely at how the ARRA provisions align with your mission, capabilities and community needs. Keep true to your mission and core values; don’t chase after the money but only pursue funding under ARRA if it strategically fits your mission, values and capabilities.
3. **Start NOW to explore options with local partners.** To stimulate the economy, funding is expected to be allocated quickly with priority given to programs that can be implemented quickly. This means that funding will likely go to programs that build upon existing infrastructure and already have strong partnerships in place. Start holding strategic meetings now with local partners to discuss funding opportunities and formulate specific ideas for programs or projects that may be worthy of applications when federal or state funding announcements are released.
4. **Line up grant writing resources.** Funding applications will need to be developed quickly by people who understand federal grant proposal processes. Identify your grant writers now and get them up to speed on your organization(s), areas of ARRA funding you have identified as top targets and other pertinent information. Also, consider reserving time over the coming months from key people that will need to be involved in developing and approving funding applications.
5. **Create an electronic grants application account.** Applications for federal discretionary grants must be made through the electronic grants system so set up an account ahead of time. For some funding through the U.S. Department of Education, the portal for electronic grants is at <http://e-grants.ed.gov>. For all other federal grants, the portal is at www.grants.gov. Allow time for your application to be processed; the Grants.gov site says the registration process can take up to two weeks. Also anticipate that these federal websites may become temporarily unavailable due to a high volume of activity or other unforeseen problems.
6. **Closely monitor announcements.** Efforts to implement the provisions of ARRA and get funds released so they can impact the economy are moving at an unprecedented speed, with new announcements occurring almost daily. Monitor the Federal Register and the federal and state Recovery portals

daily for information on funding opportunities and grant announcements. Websites are listed at the end of the brief.

- 7. **Move swiftly.** As soon as a federal Notice of Funding Availability (NOFA) or similar announcement of funding availability is released that your organization or community collaboration wants to pursue, get going immediately to review all of the detailed requirements and then plan and prepare your application. As San Francisco Mayor Gavin Newsom recently noted, the biggest challenge in getting money right away is “making sure that the grant applications are consistent, collaborative and coordinated and that they meet the criteria that have been set out.”

Funding Opportunities for Local Services

The following chart presents provisions within ARRA that represent potential funding opportunities for local (community or county level) programs specifically tied to early childhood development or family support services. This chart only lists funding that can go directly to local public or nonprofit entities, although some options may pass through a state agency first. Items are grouped by program category.

Other ARRA funding that should benefit local entities or families, but which is administered by the state, is outlined in the next section of the brief.

Program	Amount	Eligible Entities	How Allocated
FUNDS AVAILABLE FOR A VARIETY OF PROGRAMS OR TYPES OF SERVICES			
Community Development Block Grant (CDBG) For community and economic development projects, with priority given to fast-action projects that can award contracts based on bids within 120 days from the date the funds are made available to the recipients.	\$123 million to California (estimate), \$1 billion nationally	Grantees that received CDBG funding in 2008	Application
Community Services Block Grant (CSBG) Expansion of the existing CSBG program, which funds a broad range of programs to address the underlying causes of poverty and provide direct services to low-income families based on the needs of the community. At least 5% of a state’s allocation must be dedicated to activities relating to the identification and enrollment of eligible individuals and families in federal, state and local benefit programs.	\$90 million to California	Community action agencies, who in turn may partner with other local organizations	Formula
Rural Community Facilities Program Funding to develop essential community facilities for public use in rural areas. These facilities include schools, libraries, childcare, hospitals, medical clinics, assisted living facilities, fire and rescue stations, police stations, community centers, public buildings and transportation.	\$130 million nationally to expand this program	Public entities, nonprofit corporations and tribal governments in towns and rural areas with up to 20,000 population	Application
Compassion Capital Fund Competitive grant program to support nonprofits to expand the delivery of social services to individuals and communities affected by the recession.	\$50 million nationally	Nonprofit organizations	Application

Program	Amount	Eligible Entities	How Allocated
<p>Corporation for National and Community Service Expansion of the AmeriCorps program with an emphasis on activities that are related to the economic recovery.</p>	<p>\$10 million to California</p>	<p>Current AmeriCorps grantees</p>	<p>Both formula and application</p>
<p>Community Service Employment for Older Americans To serve more unemployed low-income senior citizens by expanding the number assigned to community service work, especially in the growth industries emphasized in ARRA (which includes health care, child care and education) and in community service activities utilizing ARRA funds.</p>	<p>\$120 million nationally</p>	<p>Current grantees of this program</p>	<p>Formula</p>
<p>EARLY CARE AND EDUCATION</p>			
<p>Head Start National goal to serve 16,600 additional children and families. Includes funding to improve staff compensation and training, upgrade Head Start centers and classrooms, increase hours of operation and enhance transportation services.</p>	<p>\$102 million to California, \$1 billion nationally</p>	<p>Current Head Start grantees</p>	<p>Formula</p>
<p>Early Head Start National goal to almost double the number of children and families served by the program. Up to 10% can be spent on training and technical assistance and up to 3% for monitoring. Early Head Start can support both center-based and home visiting services.</p>	<p>\$112 million to California, \$1.1 billion nationally</p>	<p>Local entities eligible to operate Early Head Start programs</p>	<p>Application</p>
<p>Title I Although there is no requirement for school district to use additional Title I funds from ARRA for early childhood programs, an April 21, 2009 memo from the U.S. Department of Education on use of ARRA funds to drive school improvement specifically notes strengthening of early learning as an appropriate use of these funds and gives the following examples:</p> <ul style="list-style-type: none"> • Align a district preschool program with state early learning guidelines and K-3 standards and support credentialing and intensive training for staff working with high poverty children and families. • Provide comprehensive screenings to identify at-risk children and connect them with vision, health, and other services. • Expand the availability and range of inclusive placement options for preschoolers with disabilities by developing the capacity of public and private preschool programs to serve these children. • If there is a plan for sustainability, expand high-quality preschool programs to provide access for larger numbers of young children. 	<p>\$1.124 billion to California, \$10 billion nationally, half for targeted grants and half for education finance incentive grants</p>	<p>Local educational agencies (LEAs), e.g. school districts, who can in turn partner with other public and nonprofit organizations</p>	<p>Formula</p>

Program	Amount	Eligible Entities	How Allocated
<p>Higher Education Title II Part A Teacher Quality Partnerships This program provides funds to school districts to promote teacher and principal quality through strategies such as high quality professional development in core subject areas and development of mechanisms and initiatives to promote the retention and hiring of highly qualified teachers and principals (which can include early childhood educators).</p>	<p>\$100 million nationally</p>	<p>Local partnerships must include a higher education institution and a high-need local school district; may also include ECE programs (Head Start, State Preschool, licensed child care entity)</p>	<p>Application</p>
<p>Innovation Fund (“Invest in What Works”) Competitive grants to expand programs shown to make significant gains in closing academic achievement gaps so they may serve as models of best practice, and identify and document best practices to share and take to scale.</p>	<p>\$650 million nationally</p>	<p>Local educational agencies; can include partnership between LEAs and nonprofit entities or multiple LEAs</p>	<p>Application</p>
<p>HEALTH</p>			
<p>Prevention and Wellness Fund Supports evidence-based clinical and community-based prevention and wellness strategies (e.g. could include childhood asthma or obesity prevention efforts, among many other possibilities). Includes innovation grants to increase the number of children receiving vaccines.</p>	<p>\$100 million to California</p>	<p>Local public and nonprofit agencies</p>	<p>Application</p>
<p>Health Centers Support for federally qualified health centers (FQHCs), primarily community health centers, for construction, modernization and health information technology improvements (\$1.5 billion nationally) and for FQHC grant funding for services and operations (\$500 million nationally). Expansion of community health centers can result in greater access to health care services for prenatal care and young children among low-income families.</p>	<p>\$200 million to California, \$2 billion nationally</p>	<p>Local entities (counties, school districts, nonprofit agencies) eligible to operate FQHCs</p>	<p>Application</p>
<p>TRAINING AND EMPLOYMENT SERVICES</p>			
<p>Workforce Investment Act Out of the various provisions related to training and employment, items that have the greatest potential to affect children and family services are:</p> <ul style="list-style-type: none"> • \$80 million to California for adult employment and training activities, including supportive services, which can assist unemployed parents • \$250 million nationally for competitive grants for worker training and placement in high growth and emerging industries identified in the Act, which include health care, child care and education 	<p>\$488 million to California of which \$415 million is estimated to go to local agencies, \$2.95 billion nationally</p>	<p>Local Workforce Investment Boards</p>	<p>Mostly formula but programs for worker training for high growth industries are via competitive grant applications</p>

It must be emphasized that **partnerships involving public and nonprofit agencies are possible under almost every ARRA category.** The column in the preceding table for Eligible Entities only determines the type of entity that must apply for the funds, receive funds and act as the fiscal agent. Those entities, in turn, can pay other organizations for services provided in the program. Multi-agency partnerships are in fact desired for many of the ARRA programs and will increase the potential for funding under competitive grant programs in particular.

Other Provisions of Note

This section highlights other provisions of ARRA where funds will go to a state agency for administration rather than flowing more or less directly to local entities, but which also are expected to help children ages 0-5 and their families. Certainly, most of these funds should eventually benefit families and local service providers and thus should be taken into account in assessing the overall effect that ARRA may have in a particular county or other jurisdiction.

Medicaid. Potential for up to \$8.2 billion for California to protect and maintain the Medi-Cal program by helping to avert cuts to provider payments rates and benefits or services, and to prevent constrictions on income eligibility requirements for the program.

Title IV-E Foster Care and Adoption. Increased funds to states to help forestall cuts in foster care and adoption assistance via a higher federal match percentage (i.e. a temporary increase in the portion of these services paid by the federal government). The increased match applies to maintenance payments, adoption assistance and the new guardianship assistance.

Temporary Assistance for Needy Families (TANF). \$5 billion nationally to help serve more families seeking employment opportunities and other forms of assistance during the economic downturn. These funds are used for the

CalWORKS program in California, although it was uncertain at the time this brief was developed what portion of these funds will come to California.

Child Care and Child Development Block Grants. \$2 billion nationally (\$220 million to California) to expand subsidized child care for families. Of this total, \$255 million is reserved for quality improvement, of which \$93.5 million is reserved for infant-toddler care.

Individuals with Disabilities Education Act (IDEA) Section 619 Preschool. \$400 million nationally (\$41 million to California) to help ensure that children ages 3-5 with disabilities have access to appropriate preschool and support services. It is also noteworthy that California is projected to receive an additional \$1.2 billion in IDEA Part B funding for special education services for school-age children.

IDEA Part C Infants and Toddlers. \$500 million nationally (\$53 million to California) for coordination and early intervention services to infants and toddlers with disabilities and their families.

Women, Infants and Children (WIC). \$500 million nationally for the WIC program, \$400 million of which was placed in a contingency fund for future uses to be determined by the Secretary of the Department of Agriculture. This may be monitored by local WIC programs in case some or all of these contingency funds are made available to local jurisdictions.

Food Stamps. \$20 billion nationally to increase maximum food stamp benefits by 13.6 percent and help states to pay for and administer rising caseloads.

Health Care Workforce Development. \$500 million nationally for primary care workforce development programs, \$300 million of which is for the National Health Service Corps and \$200 million will be for the Title VII Health Professions and Title VIII Nurse Training

programs. Local community health centers can potentially take advantage of increased opportunities to recruit health professionals due to these programs.

Summer Youth Employment. \$1.2 billion nationally (\$186 million to California) to expand summer employment opportunities for youth. Discussions with the local Workforce Investment Board may identify partnership opportunities to employ youth in ways that support local children and family service programs.

Websites to Know

All of the information needed to learn more about ARRA, monitor funding opportunities and pursue those opportunities is available on the Internet. Listed below are the key websites to utilize.

Main federal portal for national information about ARRA and daily federal announcements:
www.recovery.gov

California portal for state level information about ARRA and daily state announcements:
www.recovery.ca.gov

Access to the Federal Register for daily announcements, including an option to sign up for daily emails with the Federal Register table of contents:
www.gpoaccess.gov/fr/index.html

Full text of the Act:
www.whitehouse.gov/the_press_office/ARRA_public_review/

Access to ARRA grant opportunities (use the Recovery Act Opportunities option):
www.grants.gov

In addition to these main websites, the website for each federal Department contains information about ARRA funding administered

through that department. Two other sites that are especially relevant to children and family services are thus:

U.S. Department of Education, with information specifically related to ARRA available under the “ED.gov Recovery” link:
www.ed.gov

U.S. Department of Health and Human Services, which also has a link (albeit less visible) to a special “HHS.gov Recovery” with information about ARRA programs
www.hhs.gov

This brief was developed by Social Entrepreneurs, Inc. (SEI). The mission of SEI is to improve the lives of people by helping organizations realize their potential. To learn more SEI and our many services, please contact us at:

Social Entrepreneurs, Inc.
6121 Lakeside Drive, Suite 160 • Reno, NV 89511
Phone: (775) 324-4567
Web: www.socialent.com