



POTENTIAL STIMULUS FUNDING FOR COMMUNITY ACTION AGENCIES

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Following is a summary of how the American Recovery and Reinvestment Act of 2009 (the economic stimulus legislation) impacts a range of federal programs from which CAAs may receive funding.

Food Assistance

- **Women, Infants, and Children (WIC):** The stimulus act includes \$500 million for the WIC program, with \$400 million reserved for anticipated increases in the caseload, and \$100 million to establish management information systems (MIS) for the program. Of the \$400 million, the U.S. Department of Agriculture (USDA) may use \$1 million for federal administrative costs associated with establishing MIS.
- **Emergency Food Assistance Program (TEFAP):** Under TEFAP, the USDA makes commodity foods available to states. States provide the food to local agencies that they have selected, usually food banks, which in turn, distribute the food to soup kitchens and food pantries that directly serve the public. The stimulus act includes \$150 million in TEFAP funding for the USDA to purchase food commodities to distribute to local agencies. Of this amount, USDA may use up to \$50 million for costs associated with commodity distribution.
- **Emergency Food and Shelter Program:** The Emergency Food and Shelter Program is run by the Federal Emergency Management Agency (FEMA) and enables local community organizations to supplement and expand ongoing efforts to provide shelter, food and supportive services for the nation's hungry, homeless, and people in economic crisis. This program will receive \$100 million in stimulus funds. Administrative costs are limited to 3.5% of the total stimulus funds for this program.

For more information on the effect of the stimulus on these programs, visit the stimulus page on the Food Research and Action Center's website:

http://www.frac.org/Legislative/action_center/highlights_feb09_econ_recovery.htm

- **Senior Nutrition Programs:** The stimulus act includes \$100 million for senior nutrition programs, of which \$65 million is for congregate nutrition services, \$32 million is for home-delivered nutrition services (Meals on Wheels) and \$3 million is for nutrition services for Native Americans.

For more information visit the National Association of State Units on Aging's website (under "Economic Stimulus Update"): <http://www.nasua.org/>

Health Care

- **Community Health Centers:** The stimulus act includes: (i) \$1.5 billion for grants for construction, renovation and equipment for community health centers and for the acquisition of health information technology systems by community health centers; and (ii) \$500 million for grants to health centers.

For more information, visit: the National Association of Community Health Centers' website: <http://www.nachc.org/appropriations.cfm>

- **Prevention and Wellness Fund:** The stimulus act includes \$1 billion for a prevention and wellness fund to be administered by the U.S. Department of Health and Human Services (HHS). Of this amount, \$650 million is for carrying out evidence-based clinical and community-based prevention and wellness strategies. Not more than 0.5% of the funding may be allocated to management and oversight.

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Child Care

- **Child Care and Development Block Grant:** The stimulus act includes \$2 billion to states to supplement child care assistance for low-income families. Of the \$2 billion, states are to use \$255,186,000 for activities designed to (i) provide comprehensive consumer education for parents and the public; (ii) increase parental choices in child care; and (iii) improve the quality of child care. Of this amount, \$93,587,000 is for activities that improve the quality of infant and toddler care.

For more information, visit the Appropriations page on the website of the National Association of Childcare Resource and Referral Agencies: <http://www.naccrra.org/policy/american-recovery-and-investment-act/>

Housing and Rural Communities

- **Homelessness Prevention Fund:** \$1.5 billion in stimulus funding is for a homelessness prevention fund administered by the U.S. Department of Housing and Urban Development (HUD) that will provide assistance to homeless or at-risk individuals and families. These funds, which are to remain available until September 30, 2011, may be used for: short to medium-term rental assistance; housing relocation and stabilization services; credit repair; security or utility deposits; utility payments; rental assistance for a final month at a location; moving cost assistance; case management; and any other activity appropriate for homeless prevention or rapid re-housing for people who have already become homeless. Grantees may use up to 5% of any grant made with these funds for administrative costs. HUD will distribute the funds to jurisdictions using the Emergency Shelter Grant (ESG) formula. Grantees will be required to spend 60 percent of the funds within 2 years of obligation from HUD and 100 percent within 3 years.

HUD may reallocate funds from grantees that do not meet the 2-year requirement to those that do. HUD has 30 days to issue guidelines about the use of funds. Grantees receiving these funds must collect data on the use of the funds and on people served with those funds in the HUD Homeless Management Information System (HMIS) or a comparable database.

For more information, visit the website of the National Alliance to End Homelessness (Prevention and Re-Housing Resources page) at <http://www.endhomelessness.org/section/tools/prevention/>

- **Community Development Block Grant (CDBG):** The stimulus act includes \$1 billion for a Community Development Fund to carry out the CDBG program. These funds, which are to remain available until September 30, 2010, are to be distributed to state and local government grantees that received funding in FY 2008. Priority will be given to projects that can award contracts within 120 days of receiving the grant.
- **Neighborhood Stabilization Program (NSP):** The stimulus act includes \$2 billion for this HUD program to redevelop foreclosed and abandoned homes. NSP, which is authorized under the Housing and Economic Recovery Act of 2008, provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The NSP stimulus funds are available until September 30, 2010. Grantees must spend at least 50 percent within the first two years and 100 percent within three years of the funds becoming available. The funds are to be awarded on a competitive basis to eligible grantees based on areas with greatest number and percentage of foreclosures and to those entities that are able to ensure that the funds can be spent. The stimulus bill also includes changes to the program. *For more information regarding these changes, as well as NSP stimulus funding, visit Enterprise Community Partners' website (Neighborhood Stabilization Page): http://www.enterprisecommunity.org/public_policy/foreclosure_prevention/neighborhood_stabilization.asp.*
- **HOME Investment Partnerships Program:** The stimulus act includes \$2.25 billion for capital investments in low-income housing tax credit projects through HUD's HOME program. These funds, which will remain available until September 30, 2011, will be made available to state housing credit agencies. The state housing credit agencies will distribute these funds competitively and pursuant to their qualified allocation plan to owners of projects who have received or receive simultaneously an award of low-income housing tax credits.
- **Rural Community Facilities Program Account:** The stimulus act includes \$130 million for direct loans and grants for developing rural community facilities development. The funds are available to public entities such as municipalities, counties, and special-purpose districts, as well as nonprofit corporations and tribal governments. The stimulus act requires that at least 10% of the \$130 million is to be allocated for assistance in persistent poverty counties. Persistent poverty counties are defined as any county that

has had 20% or more of its population living in poverty over the past 30 years, as measured by the 1980, 1990, and 2000 decennial censuses.

Employment and Community Service

- **Workforce Investment Act Training and Employment Services:** The stimulus act includes \$3.95 billion for training and employment services to be made available through June 30, 2010 and to be allocated as follows: (i) \$500 million for grants to states for adult employment and training activities, including supportive services and needs-related payments with priority given to recipients of public assistance and other low-income individuals; (ii) \$1.2 billion for grants to states for youth activities, including summer employment for youth, provided that certain requirements are met; (iii) \$1.25 billion for grants to states for dislocated worker employment and training activities; (iv) \$200 million for the dislocated workers assistance national reserve; (v) \$50 million for Youth Build activities, provided that for program years 2008 and 2009, the Youth Build program may serve an individual who has dropped out of high school and re-enrolled in an alternative school, if that re-enrollment is part of a sequential service strategy; and (vi) \$750 million for a program of competitive grants for worker training and placement in high-growth and emerging industry sectors, provided that \$500 million of the \$750 million is to be used for research, labor exchange and job training projects that prepare workers for careers in energy efficiency and renewable energy. For grants awarded from the \$500 million in the non-energy area, the U.S. Department of Labor shall give priority to projects that prepare workers for careers in the health care sector.
- **Senior Community Service Employment Program (SCSEP):** The stimulus act includes \$120 million to help older Americans obtain community service employment through SCSEP, which is administered by the U.S. Department of Labor. These funds will remain available through June 30, 2010 and will be allotted within 30 days of enactment to current grantees in proportion to their allotment in program year 2008. SCSEP provides subsidized, part-time, community service work based training for low-income persons age 55 or older who have poor employment prospects. Currently, DOL makes grant awards to 18 national nonprofit organizations and 56 units of state and territorial governments. In most states, the governor has selected the state office on aging to administer the program. Some states utilize the state labor department. States often sub-grant with area agencies on aging or with community based organizations to operate local projects.

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- **Corporation for National and Community Service (CNCS):** The stimulus act includes \$160 million for operating expenses for CNCS to provide grants to national, state, and local governments as well as non-profits for performing volunteer programs. Of the \$160 million, (i) \$89 million is to be used for additional awards to existing AmeriCorps grantees (states, local governments, nonprofits, institutions of higher education and Indian Tribes) and may, in certain cases, be used to fund waivers of



applicable matching requirements and may be used to provide adjustments to awards under the National Service Trust Program made prior to September 30, 2010; and (ii) not less than \$65 million is for AmeriCorps's VISTA program. Of the funds allocated to AmeriCorps state and national grants, up to 20% may be used for national direct grants. CNCS stimulus funding is subject to the same terms and conditions that applied to FY 2008 funds.