



American Recovery and Reinvestment Act Summarized February 16, 2009

On Tuesday, February 17, President Obama will sign the American Recovery and Reinvestment Act. Following is a summary of programs outlined in the Congress' conference report for the legislation that have major grants or funding implications. For the conference report summarizing the legislation see:

http://appropriations.house.gov/pdf/Recovery_JS_DivA.pdf.

\$1.234 billion of loans, grants for essential rural community facilities including hospitals, healthcare clinics, health and safety vehicles and equipment, public clinics, health and safety vehicles and equipment, public buildings, child and elder care facilities. Of this amount, \$1.171 billion is for direct community facility loans and \$63 million is for community facility grants.

\$3.01 billion in rural business loans and grants. \$2.99 billion is for guaranteed business and industry loans and \$20 million for rural business enterprise grants.

\$1.38 billion for loans and grants for water and waste disposal facilities. \$2.82 billion for direct loans and \$968 million for grants.

\$100 million grant program for National School Lunch Program equipment assistance.

\$150 million for Economic Development Assistance programs to leverage private investment, stimulate employment and increase incomes. Of the amounts provided, \$50 million shall be for economic adjustment assistance to help communities recover from sudden and severe economic dislocation and massive job losses due to corporate restructuring and \$50 million may be transferred to federally authorized, regional economic development commissions.

\$4.7 billion for the National Telecommunications and Information Administration's Broadband Technology Opportunities Program (TOP), to be available until September 30, 2010. Funding is provided to award competitive grants to unserved and underserved areas and to strategic institutions that are likely to create jobs or provide significant public benefits. Of the amounts provided, \$350 million shall establish the State Broadband Data and Development Grant program, as authorized by Public Law 110-385 and for the development and maintenance of a national broadband inventory map as authorized by division B of ARRA. In addition, \$200 million shall be for competitive grants for expanding public computer center capacity; and \$250 million shall be for competitive grants for innovative programs to encourage sustainable broadband adoption.

\$220 million for scientific and technical research and services including research, competitive grants, additional research fellowships and advanced research and measurement equipment and supplies. In addition, \$20 million is provided by transfer from the Health Information Technology (HIT) initiative within this Act. For HIT activities, NIST is directed to create and test standards related to health security and interoperability in conjunction with partners at the Department of Health and Human Services. Included is \$360 million to address the backlog of maintenance and renovation and for construction of new facilities and laboratories. Of the amounts provided, \$180 million shall be for the competitive construction grant program for research science buildings, including fiscal year 2008 and 2009 competitions.

\$225 million for Violence Against Women Prevention and Prosecution Programs, to be available until September 30, 2010, of which \$175 million is for the STOP Violence Against Women Formula Assistance Program, and \$50 million is for transitional housing assistance grants. No administrative overhead costs shall be deducted from the programs funded under this account.

\$2.765 billion for the following state and local law enforcement assistance programs, to be available until September 30, 2010. No administrative overhead costs shall be deducted from the programs funded under this account.

Edward Byrne Memorial Justice Assistance Grants...	\$2 billion
Byrne competitive grants\$225 million
Rural Law Enforcement\$125 million
Southwest Border Project Gunrunner\$40 million
Victims Compensation\$100 million
Tribal Law Enforcement Assistance\$225 million
Internet Crimes Against Children Task Force\$50 million

Byrne-Justice Assistance Grants. - \$2 billion for Edward Byrne Memorial Justice Assistance Grants. This funding is allocated by formula to State and local law enforcement agencies to help prevent, fight, and prosecute crime.

Byrne Competitive Grants. - \$225 million for competitive, peer-reviewed grants to units of state, local, and tribal government, and to national, regional, and local non-profit organizations to prevent crime, improve the administration of justice, provide services to victims of crime, support critical nurturing and mentoring of at-risk children and youth, and for other similar activities.

Rural Law Enforcement. - \$125 million for grants to combat the persistent problems of drug-related crime in rural America. Funds will be available on a competitive basis for drug enforcement and other law enforcement activities in rural states and rural areas, including for the hiring of police officers and for community drug prevention and treatment programs.

Victims Compensation. - \$100 million for formula grants to be administered through the Justice Department's Office for Victims of Crime to support State compensation and assistance programs for victims and survivors of domestic violence, sexual assault, child abuse, drunk driving, homicide, and other Federal and state crimes.

Tribal Law Enforcement Assistance. - \$225 million for grants to assist American Indian and Alaska Native tribes, to be distributed under the guidelines set forth by the Correctional Facilities

on Tribal Lands program. The Department is directed to coordinate with the Bureau of Indian Affairs, and to consider the following in the grant approval process: (1) the detention bed space needs of an applicant tribe; and (2) the violent crime statistics of the tribe.

Internet Crimes Against Children (ICAC) Task Force Program. – \$50 million to help State and local law enforcement agencies enhance investigative responses to offenders who use the Internet, online communication systems, or other computer technology to sexually exploit children.

Community Oriented Policing Services (COPS) Hiring Grants. - \$1 billion for grants to State, local, and tribal governments for the hiring of additional law enforcement officers, to be available until September 30, 2010.

An additional \$1 billion for water and related resources via the Bureau of Reclamation. The Act directs the Bureau to consider the following criteria when allocating funds:

- (a) Programs, projects, or activities that can be obligated/executed quickly;
- (b) Programs, projects, or activities that will result in high, immediate employment;
- (c) Programs, projects, or activities that have little schedule risk;
- (d) Programs, projects, or activities that will be executed by contract or direct hire of temporary labor; and
- (e) Programs, projects, or activities that will complete either a project phase, a project, or will provide a useful service that does not require additional funding.

\$16.8 billion for the Energy Efficiency and Renewable Energy program. Includes \$2.5 billion for applied research, development, demonstration and deployment activities to include \$800 million for projects related to biomass and \$400 million for geothermal activities and projects. Within available funds, the conferees direct \$50 million for the Department of Energy to support research to increase the efficiency of information and communications technology and improve standards. Funds under this heading include \$3.2 billion for the Energy Efficiency and Conservation Block Grant (EECBG) program. Of the funds provided for the EECBG program, \$400 million shall be awarded on a competitive basis to grant applicants. Funds under this heading include \$5 billion for Weatherization Assistance. Program Funds under this heading include \$3.1 billion for the State Energy Program. Funds under this heading include \$2 billion for Advanced Battery Manufacturing grants to support the manufacturing of advanced vehicle batteries and components. Funds under this program include \$300 million for the Alternative Fueled Vehicles Pilot Grant Program, \$400 million for Transportation Electrification and \$300 million for the Energy Efficient Appliance Rebate program and the Energy Star program.

\$4.5 billion for the Electricity Delivery and Energy Reliability program and provides \$100 million within these funds for worker training. Provides funds to conduct a resource assessment of future demand and transmission requirements.

\$3.4 billion for the Fossil Energy Research and Development program. Funds under this program include \$1 billion for fossil energy research and development programs; \$800 million for additional amounts for the Clean Coal Power Initiative Round III Funding Opportunity Announcement; \$1.52 billion for a competitive solicitation for a range of industrial carbon capture and energy efficiency improvement projects, including a small allocation for innovative concepts for beneficial CO₂ reuse; \$50 million for a competitive solicitation for site

characterization activities in geologic formations; \$20 million for geologic sequestration training and research grants; and \$10 million for program direction funding.

\$6 billion for the cost of guaranteed loans authorized by section 1705 of the Energy Policy Act of 2005. This new loan program would provide loan guarantees for renewable technologies and transmission technologies. The \$6 billion in appropriated funds is expected to support more than \$60 billion in loans for these projects. Funds under this program include \$10 million for administrative expenses to support the Advanced Technology Vehicles Manufacturing Loan program.

\$5.55 billion for the Federal Buildings Fund. Includes \$750 million for federal buildings and U.S. courthouses, \$450 million of which shall be for a new headquarters for the Department of Homeland Security; \$300 million for border stations and land ports of entry; and not less than \$4.5 billion to convert GSA facilities to High-Performance Green buildings as defined in P.L. 110-140. The conference agreement provides \$4 million for the Office of Federal High-Performance Green Buildings, authorized in the Energy Independence and Security Act of 2007. The agreement also provides \$3 million for a training and apprenticeship program for construction, repair and alteration of federal buildings. With any funds in the Act that are used for new United States courthouse construction, GSA is to consider projects for which the design provides courtroom space for senior judges for up to 10 years from eligibility for senior status, not to exceed one courtroom for every two senior judges.

\$636 million for the Business Loans Program Account. Of this amount, \$6 million is for the cost of direct loans provided under the Microloan program. The remaining \$630 million will implement the fee reductions and new loan guarantee authorities.

\$300 million for state and local FEMA programs. Of the amount made available, \$150 million is for public transportation security assistance and railroad security assistance, including Amtrak security, and \$150 million is for Port Security Grants. The secretary shall not require a cost share for these grants. In addition, the Act includes a provision waiving the cost-share for port security grants funded in the Act. Priority is to be given to construction projects which address the most significant risks and can also be completed in a timely fashion.

\$210 million for firefighter assistance grants. Funds are provided for modifying, upgrading or constructing non-federal fire stations, not to exceed \$15 million per grant.

Allows loans in the Disaster Assistance Direct Loan Program Account related to calendar year 2008 disasters to exceed \$5 million and equal not more than 50 percent of the operating budget of local governments if that local government has suffered a loss of 25 percent or more in tax revenues.

\$6.4 billion for the State and Tribal Assistance Grants account.

Clean Water and Drinking Water State Revolving Funds: \$4 billion for the Clean Water State Revolving Funds and \$2 billion for the Drinking Water State Revolving Funds. To ensure that the funds appropriated herein for the Revolving Funds are used expeditiously to create jobs, the Administrator is directed to reallocate Revolving Fund monies where projects are not under contract or construction within 12 months of the date of enactment. Second, priority funding to projects on state priority lists that are ready to proceed to construction within 12 months of

enactment. The Act includes language to require that not less than 50 percent of the capitalization grants each state receives be used to provide assistance for additional subsidization in the form of forgiveness of principal, negative interest loans, or grants, or any combination of these. This provision provides relief to communities by requiring a greater federal share for local clean and drinking water projects and provides flexibility for states to reach communities that would otherwise not have the resources to repay a loan with interest. The EPA is expected to strongly encourage the states to maximize the use of additional subsidies and to work with the states to ensure expedited award of grants under the additional subsidy provisions. The Act expects the states to target, as much as possible, the additional subsidized monies to communities that could not otherwise afford an SRF loan. The bill requires not less than 20 percent of each Revolving Fund be available for projects to address green infrastructure, water and/or energy efficiency, innovative water quality improvements, decentralized wastewater treatment, stormwater runoff mitigation, and water conservation. The Act allows states to use less than 20 percent for these types of projects only if the states lack sufficient applications. Further, the states must certify that they lack sufficient, eligible applications for these types of projects prior to using funds for conventional projects.

Increased the tribal set-aside from the Clean Water State Revolving Funds up to 1.5 percent of the total amount appropriated. Language has also been included to allow EPA to transfer to the Indian Health Service up to 4 percent of the tribal set-aside amount in each Revolving Fund for administration and management of the projects in Indian country. This amount is consistent with the amount allowed by law for the states to manage their capitalization grants. Language also has been included to prohibit the use of both Revolving Funds for the purchase of land or easements and to prohibit other set asides under section 1452(k) of the Safe Drinking Water Act that do not directly create jobs. To ensure that funds are used to create jobs, the bill also limits the use of the Revolving Funds to buy, refinance or restructure debt incurred prior to October 1, 2008.

\$100 million for Brownfields projects and \$300 million for Diesel Emission Reduction Act (DERA) Grants: Waives the State Grant and Loan Program matching incentive provisions of DERA. The DERA funds are to be used on projects that spur job creation, while achieving direct, measurable reductions in diesel emissions.

Competitive Grants: Award both the Brownfields and DERA funds in an expeditious manner, consistent with fair and open competition. To ensure the additional goal of creating jobs as quickly as possible, the EPA may make awards for meritorious and quality proposals submitted under competitions that were initiated within the past 18 months.

\$650 million for Department of Agriculture, Forest Service, Capital Improvement and Maintenance projects involving reconstruction, capital improvement, decommissioning, and maintenance of forest roads, bridges and trails; alternative energy technologies, and deferred maintenance at federal facilities; and remediation of abandoned mine sites, and other related critical habitat, forest improvement and watershed enhancement projects.

\$50 million for competitive grants for the purpose of creating incentives for increased use of biomass from federal and non-federal forested lands. Funds for state and private forestry activities shall not be subject to matching or cost-share requirements.

\$3.95 billion for Workforce Investment Act programs. Within this amount, \$2.95 billion is for formula grants to the states for training and employment services. Funds are to be allotted to states within 30 days of enactment. Within the state formula grant programs, \$500 million is for services for adults to support the employment needs of priority populations including recipients of public assistance and other low-income individuals.

\$200 million for dislocated worker assistance national reserve to award national emergency grants to respond to plant closings, mass layoffs and other worker dislocations.

\$750 million for competitive grants for worker training and placement in high growth and emerging industry sectors. Within this amount, \$500 million for projects that prepare workers for careers in energy efficiency and renewable energy as described in the Green Jobs Act of 2007. Priority consideration for the balance of funds will be given to projects that prepare workers for careers in the health care sector. Training for wireless and broadband deployment is an eligible activity for grants for high growth and emerging industry sectors, along with advanced manufacturing and other high-demand industry sectors identified by local workforce areas.

\$120 million for the Community Service Employment for Older Americans program. To be distributed to current grantees to support additional employment opportunities for low-income seniors.

\$2.5 billion for health resources and services including \$500 million for services provided at community health centers. Funds are to be used to support new sites and service areas, to increase services at existing sites, and to provide supplemental payments for spikes in uninsured populations. Grants for new sites and service areas are to be two years in length as startup is phased in. \$1.5 billion for construction, renovation and equipment, and for the acquisition of health information technology systems, for community health centers, including health center controlled networks receiving operating grants under section 330 of the Public Health Service Act, notwithstanding the limitation in section 330(e)(3). \$200 million for disciplines trained through the primary care medicine and dentistry program, the public health and preventive medicine program, the scholarship and loan repayment programs and grants to training programs for equipment.

\$800 million via the Office of the Director of the Health Resources and Services Administration for short-term grants that focus on specific scientific challenges, new research that expands the scope of ongoing projects, and research on public and international health priorities.

\$2 billion for the Child Care and Development Block Grant, as proposed by both the House and Senate. Set aside \$255,186,000 of these funds for quality improvement activities, of which \$93,587,000 shall be for activities to improve the quality of infant and toddler care. Within the total provided for Children and Families Services Programs, \$1 billion is provided for the Community Services Block Grant (CSBG). States are to reserve 1 percent of their allocation for benefit coordination services and to distribute the remaining funds directly to local eligible entities. It also permits states to increase the income eligibility ceiling from 125 percent to 200 percent of the federal poverty level for services furnished under the CSBG Act during fiscal years 2009 and 2010. Within the total provided for Children and Families Services Programs, \$50 million is provided under section 1110 of the Social Security Act to establish

a new initiative to award capacity-building grants directly to nonprofit organizations. The intent is that this program will expand the delivery of social services to individuals and communities affected by the economic downturn. The grantees will have to demonstrate clear and measurable goals, and must be able to evaluate the success of their program.

\$13 billion for the Education for the Disadvantaged account. \$10 billion for title I formula grants and \$3 billion for School Improvement grants. The intent is that these funds should be available during school years 2009-2010 and 2010-2011 to help school districts mitigate the recent reduction in local revenues and state support for education. Within the total provided for title I formula grants, \$5 billion shall be allocated through the targeted formula and the same amount should be allocated through the education finance incentive grant formula. Each school district that receives this funding will report to its state educational agency, a school-by-school listing of per public expenditures, from state and local services, during the 2008-2009 academic year, no later than December 1, 2009. States must compile and submit this information to the federal Department of Education no later than March 1, 2010.

The secretary of the Department of Education will provide each state a grant that is proportionate to the number of homeless students identified as such during the 2007-2008 academic year relative to the number of homeless children nationally during the same year. States shall award subgrants to local educational agencies on a competitive basis, or using a formula based on the number of homeless students identified in each school district in the state.

\$12.2 billion for the Special Education account. The secretary of the Department of Education is required to reserve the amount needed for grants under section 643(e), and allocate any remaining funds in accordance with section 643(c) of IDEA.

\$680 million for the Rehabilitation Services and Disability Research account. \$540 million for Vocational Rehabilitation State Grants. \$140 million for independent living programs including \$18.2 million for state grants.

\$15.84 billion for Student Financial Assistance account with \$15.64 billion for Pell Grants and \$200 million for work-study.

\$89 million for additional awards to existing AmeriCorps state and national grantees. Up to 20 percent of the funding provided for AmeriCorps state and national grants may be used for national direct grants.

\$150 million for grants for construction of Department of Defense state extended care facilities.

\$1.5 billion to award grants on a competitive basis for projects across all surface transportation modes that will have a significant impact on the nation, a metropolitan area or a region. Provisions require the secretary of transportation to ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

\$1.1 billion for the Federal Aviation Administration to provide discretionary airport grants to repair and improve critical infrastructure at our nation's airports.

\$1.3 billion including \$450 million for capital grants for security improvements to include life safety improvements. The conferees also provide that no more than 60% of the remaining funds shall be spent for capital improvements on the Northeast Corridor.

\$6.9 billion for transit of which 80 percent of the funds shall be provided through the Federal Transit Administration's (FTA) urbanized formula; 10 percent shall be provided through FTA's rural formula, and, 10 percent shall be provided through FTA's growing states and high density formula. In addition, the conference agreement provides 2.5 percent of the rural funds for tribal transit needs and includes \$100 million for discretionary grants to public transit agencies for capital investments that will assist in reducing the energy consumption or greenhouse gas emissions of their public transit agencies.

\$4 billion of Department of Housing and Urban Development public and Indian housing public housing capital fund to assist public housing authorities in rehabilitating and retrofitting public housing units, including increasing the energy efficiency of units and making critical safety repairs. Of the funding provided, \$3 billion will be distributed to public housing authorities through the existing formula and \$1 billion will be awarded through a competitive process.

\$510 million to rehabilitate and improve energy efficiency in housing units maintained by Native American housing programs. Half of the funding will be distributed by formula and half will be competitively awarded to projects that can be started quickly.

\$3 billion for the Community Development Block Grant program and \$2 billion for the Neighborhood Stabilization program. The Neighborhood Stabilization Program funding will assist states, local governments, and nonprofits in the purchase and rehabilitation of foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight.

\$100 million for competitive grants to local governments and nonprofit organizations to remove lead-based paint hazards in low-income housing. Projects that were highly rated in 2008 competitions but were not funded due to constrained resources will be the focus of these resources.

\$53.6 billion for a State Fiscal Stabilization Fund. Half of these funds to become available on July 1, 2009, and half of the funds to become available on July 1, 2010. The economic recovery bill includes these funds in order to provide fiscal relief to the states to prevent tax increases and cutbacks in critical education and other services. Up to one-half of 1 percent of the State Fiscal Stabilization Fund is allocated to the outlying areas, based on their respective needs; an additional \$14 million is allocated to the Department of Education for administration, oversight, and evaluation; and \$5 billion is reserved for the secretary of education for State Incentive Grants and an Innovation Fund. The agreement provides that any remaining funds shall be allocated to States on the following basis: 61 percent based on population ages 5 through 24 and 39 percent based on total population.

School districts receiving Stabilization funds may only use the funds for activities authorized under the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Act (IDEA), the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins), and for school modernization, renovation, and repair of public school facilities (including charter schools), which may include modernization, renovation, and repairs consistent with a recognized

green building rating system. School district modernization activities must be consistent with state laws. Public institutions of higher education receiving Stabilization funds must use these funds for educational and general expenditures, and in such a way as to mitigate the need to raise tuition and fees, or for modernization, renovation, or repairs of facilities that are primarily used for instruction, research, or student housing. Use of funds for endowments and certain types of facilities such as athletic stadiums are prohibited. The House and Senate bills included similar provisions, except that neither bill permitted funds for higher education modernization, renovation, or repair projects. Governors shall submit applications in order to receive Stabilization funds, which shall include certain assurances, provide baseline data regarding each of the areas described in such assurances, and describe how States intend to use their allocations. Such assurances shall include that the State will: in each of fiscal years 2009, 2010, and 2011, maintain state support for elementary, secondary, and public postsecondary education at least at the levels in fiscal year 2006, and address 4 key areas: (1) achieve equity in teacher distribution, (2) establish a longitudinal data system that includes the elements described in the America COMPETES Act, (3) enhance the quality of academic assessments relating to English language learners and students with disabilities, and improve State academic content standards and student academic achievement standards, and (4) ensure compliance with corrective actions required for low-performing schools. The agreement further provides that, in order to receive an Incentive Grant, a governor shall: submit an application that describes the state's progress in each of the assurances and how the state would use grant funding to continue making progress toward meeting the state's student academic achievement standards.

The Secretary of Education to award, in fiscal year 2010, Incentive Grants to states that have made significant progress in achieving equity in teacher distribution, establishing a longitudinal data system, and enhancing assessments for English language learners and students with disabilities. Each State receiving an Incentive Grant shall use at least 50 percent of its grant to provide school districts with subgrants based on their most recent relative Title I allocations. Up to \$650 million for an Innovation Fund, awarded by the Secretary of Education, will consist of academic achievement awards to recognize school districts, or partnerships between nonprofit organizations and State educational agencies, school districts, or one or more schools that have made achievement gains. Section 1601 provides that each amount appropriated or made available in this Act is in addition to amounts otherwise appropriated for the fiscal year involved. Further, enactment of this Act shall have no effect on the availability of amounts under the continuing resolution for fiscal year 2009. Section 1602 provides for quick-start activities. For infrastructure investment funds, recipients of funds provided in this Act should give preference to activities that can be started and completed expeditiously, with a goal of using at least 50 percent for activities that can be initiated within 120 days of enactment. Also recipients should use grant funds in a manner that maximizes job creation and economic benefit. Section 1603, provides that funds appropriated in this Act shall be available until September 30, 2010, unless expressly provided otherwise in this Act.