

POTENTIAL FUNDING FOR THE PRIVATE SECTOR UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT

Overview

The recently enacted Federal economic stimulus bill, which is entitled the American Recovery and Reinvestment Act (ARRA), includes an estimated \$575 billion in increased one-time Federal spending over the next ten years. To put this spending increase in perspective, the current Federal Fiscal Year (FFY) 2009 Budget totals \$3.9 trillion, and overall Federal expenditures currently are projected to total more than \$42 trillion over the next ten years. The vast majority of ARRA funding will be provided through existing programs, using existing funding methodologies and formulas. Similar to the overall Federal budget, relatively little funding would be allocated directly to private businesses or non-profit organizations. Instead, the bill provides:

- An estimated \$144 billion in fiscal relief for state and local governments, mainly through a new \$53.6 billion State Fiscal Stabilization Fund and through a temporary reduction in the non-Federal share of Medicaid, child welfare, child support enforcement, and welfare costs; and
- An estimated \$81 billion in direct assistance to vulnerable and needy individuals, including through increased Food Stamp benefits, unemployment benefits, Supplemental Security Income payments, and Pell Grants for college students.

Most of the remaining funds will be allocated through formula grants to state governments, including for elementary and secondary education, child care, community development, energy, weatherization assistance, highways, justice assistance, and job training. The County will receive direct formula grant or State pass-through funding for justice assistance, public housing, community development, homeless prevention, community services, and elderly nutrition services.

However, as discussed below, there are some ARRA funding opportunities available to the private sector.

Direct Federal Funding Opportunities

In numerical terms, most of the bill's funding opportunities for the private sector consist of contracting opportunities, such as for maintenance, repairs, construction, professional services, research and development, and equipment which are needed by Federal agencies. In addition, there are a number of competitive grant programs for which private non-profit organizations and/or for-profit entities are eligible to apply. Most notably, private entities are eligible to apply for grant funding under the new \$4.7 billion

Broadband Technology Opportunities Program, which is intended to accelerate broadband deployment in unserved and underserved areas. Certain private hospitals and health providers also will be eligible to receive Medicare or Medicaid incentive payments for electronic health record technology under the ARRA's new Health Information Technology (HIT) initiative. However, this incentive payment funding is not expected to be available until 2011 because the Federal government first must develop its HIT policies and standards.

Other grants for which private non-profit organizations and/or for-profit entities may apply directly to the Federal government include:

- Byrne Justice Assistance Grants, Office of Violence Against Women Grants, Local Youth Mentoring Initiative Grants; Emergency Food and Shelter Grants; health research grants; various energy research and technology grants; job training grants; and small business loans.

The Federal government is making an unprecedented effort to make information on economic stimulus funding opportunities widely available. As its primary tool for disseminating information on economic stimulus funding, the Federal government has established an ARRA website (www.recovery.gov), which includes the following important webpages:

- This webpage has links to each individual Federal department's and agency's ARRA website: <http://www.recovery.gov/?q=content/agencies>
- This webpage has links to each current Federal contracting and grant opportunity, not limited to those funded under the ARRA: <http://www.recovery.gov/?q=content/opportunities>

State and Local Funding Opportunities

The private sector will also be able to pursue funding opportunities through State and local governments, which will use economic stimulus funds to contract for services, such as constructing and repairing highways and bridges, job training, weatherization, community development, nutrition, and child care, which will be funded through Federal grants that they receive. The State of California has established the following economic recovery website: <http://www.recovery.ca.gov/>.

The County is currently putting together its own economic recovery website which will have information for the public such as the County's use of ARRA funds, Board actions, and links to other ARRA websites. The County of Los Angeles also has an existing website www.lacounty.gov which includes a link to get information on doing business with the County.