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MEMORANDUM

To: NCLR Affiliates

From: The National Council of La Raza Office of Research, Advocacy, and Legislation

Re: The American Recovery and Reinvestment Act of 2009: Key Components of Interest to Latino Communities

Date: March 10, 2009

Over the past few weeks, National Council of La Raza (NCLR) Affiliates have requested information about the recently approved stimulus plan and how community-based organizations (CBOs) can access these resources to address economic challenges facing Latino families. This memorandum provides information on how the stimulus plan was formulated, details on the contents of the package (highlighting key investments for Affiliates), tips for Affiliates interested in seeking access to funding to benefit their communities, and information on NCLR's expected role in implementation.

Introduction

The American Recovery and Reinvestment Act of 2009 (ARRA) was signed into law on February 17, 2009 by President Obama. In the weeks leading up to the enactment of ARRA, NCLR worked diligently to support targeted provisions focusing on Hispanics and limited-English-proficient families, oppose damaging measures, and elevate the importance of ensuring that Latino workers gain equal access to relief and job opportunities in the package. For further information on NCLR's position on ARRA, please visit <http://www.nclr.org/content/news/detail/55892>.

NCLR worked with various teams in the Obama administration and two leading members of Congress, Representative Raúl Grijalva (D–AZ) and Senator Robert Menendez (D–NJ), to push for needed changes to the stimulus plan. At the outset, lawmakers imposed several parameters on ideas and measures that would be considered for inclusion in the plan: a) resources had to largely support existing programs (new programs or authorizations were discouraged); b) investments had to generate economic activity (i.e., be stimulative); and c) resources had to be disbursed quickly (i.e., “shovel ready”). Though some programs and projects outside of these strict parameters were ultimately included, these were key thresholds for policymakers.

The final stimulus plan is a reflection of these rules as well as the perceived need for quick congressional action.

Stimulus Plan: Lessons Learned

NCLR's advocacy work on the stimulus plan revealed several important lessons that are likely to shape the implementation of the law:

- **The need for swift action altered the policymaking process in ways that locked out new program ideas.** On the whole, the stimulus package flowed through a relatively closed policy-making process. In Congress, a few lawmakers on the Appropriations Committees held considerable influence over the process and content of the legislation. Preexisting relationships with appropriators or members of the House Committee on Ways and Means and Senate Finance Committee were necessary in order to shape the rapidly moving package. Looking ahead, the need to move money through the agencies and into communities quickly is likely to be pervasive; decision-making at the state and local levels may well follow a similarly closed or truncated process.
- **The need for immediate impact and expediency meant that federal programs with the capacity to get large sums of money to workers, families, and states were favored over targeted spending to address specific challenges for specific populations.** On balance, with respect to investments and spending, policymakers tended to favor large-scale transfers through formula grants to states and localities over programs administered by nonprofits that may be more targeted. The drive for “scalable impact” and efficiency is likely to trickle down to the state and local levels, meaning that large grants to sizable organizations and agencies with a proven track record will likely be the rule.
- **Policymakers remain woefully unaware of, or in some cases have discredited the importance of, making targeted investments in Latino workers and families.** The change in congressional and presidential leadership in many ways increases rather than lessens the necessity of educating new leaders about the importance of targeted investments and the need to support Hispanic-serving CBOs. There are many new staff and members in Congress who have yet to become informed about the community and how Hispanic-serving institutions provide invaluable public services at the local level. During the stimulus debate, many policymakers reflexively bought into the notion that the “rising tide lifts all boats,” or that broad funding would have trickle-down benefits to CBOs and Latinos. Many were unaware of the fact that Latinos were already facing near double-digit unemployment levels and that disparities in access and services in existing large-scale systems would likely shut out many Latinos from receiving access to new jobs. Furthermore, even some of those who are aware of the disparities made a calculated decision to prioritize getting money out quickly to stimulate the economy over actions that might help reduce societal inequities.

The American Recovery and Reinvestment Act of 2009: Key Investments

The stimulus plan provides for immediate investments in areas that will offer relief for families as well as create and save jobs. Much of the funding will be disbursed through preexisting formulas and programs that have established track records, enabling rapid implementation. It will be essential to monitor planning and spending activities closely in order to optimize benefits to Latino communities. Affiliates are encouraged to visit www.recovery.gov, where information about the recovery bill, spending, grants, contracts, and oversight may be found. For a good synopsis and overview of line items and program investments in the stimulus, please visit the National Council of Nonprofits website and read their report, *Federal Economic Stimulus Legislation: Nonprofit Grant Opportunities*, at <http://www.councilofnonprofits.org/files/Special%20Report%201%20->

%20Overview%20(Feb%202023%20FINAL).pdf. In addition, the Center for Budget and Policy Priorities published a useful state-by-state estimate of funding for key programs, which can be found at <http://www.cbpp.org/1-22-09bud.htm>.

Below we have highlighted a few key program investments of particular interest to Latinos:

U.S. Department of Education

With respect to Hispanic-serving CBOs and advocates, one critical measure of the economic stimulus will be the \$53 billion State Fiscal Stabilization Fund. States are being asked to ensure that this funding is used to support school districts at 2008 levels of spending. It will be critical to ensure that school districts with large numbers of minority and English language learner (ELL) students receive their fair share and in turn use these funds to equitably serve ELL students. For more detailed information about education funds and a list of state allocations, please visit the U.S. Department of Education's website at <http://www.ed.gov/policy/gen/leg/recovery/index.html>.

U.S. Department of Health and Human Services (HHS)

Affiliates can access information about HHS recovery funds at <http://www.hhs.gov/recovery/index.html>. With respect to Hispanic-serving CBOs, several critical areas of funding include:

- **Community Health Centers.** Health Centers Resources and Services received \$2 billion, which includes \$1.5 billion for construction and \$500 million for community health centers and workforce training for health professionals. One NCLR Affiliate has already secured funding through the first round of grants for community health centers, and it is likely that Affiliates that are existing grantees will be in a favorable position to receive additional funding. The workforce portion may be held up, however, by the need for reauthorization legislation. More information on this will follow.
- **Prevention and Wellness Programs.** The recovery package includes \$1 billion for prevention and wellness programs. Of particular note is that prevention is likely to be a major part of efforts to reform the overall U.S. health care system. Thus, stimulus funding may serve as a down payment on future work that is critical to the Latino community and Hispanic-serving institutions.
- **Head Start and Early Head Start.** The stimulus package set aside \$2.1 billion to provide comprehensive development services to help children succeed in school. Head Start is a national program that promotes school readiness by enhancing the social and cognitive development of children through the provision of educational, health, nutritional, social, and other services to enrolled children and families. This funding is supposed to be disbursed under the newly reauthorized law, which places emphasis on serving ELLs more equitably and effectively. NCLR's recently completed white paper on the Head Start reauthorization may be found at <http://www.nclr.org/content/publications/detail/55045>.

U.S. Department of Labor

For detailed information about programs and recovery funds in the Department of Labor, see NCLR's supplemental memorandum to Affiliates (contact Catherine Singley at csingley@nclr.org for a copy).

U.S. Department of Housing and Urban Development (HUD)

Affiliates can access information on recovery investments under HUD via its website at <http://www.hud.gov/recovery/arract2009.cfm>. Of special interest to Affiliates and Hispanic-serving CBOs are the following:

- **Community Development Block Grants.** The recovery package set aside \$1 billion for community and economic development projects, including housing and services for those hit hard by tough economic times. The Community Development Block Grant program is a flexible program that provides communities with resources to address a wide range of unique community development needs through local government and states. More information is available at <http://www.hud.gov/offices/cpd/communitydevelopment/programs>.
- **Neighborhood Stabilization.** Two billion dollars have been allocated for emergency assistance for the redevelopment of abandoned and foreclosed homes. More information is available at <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg>.

Other Grant Opportunities

- **AmeriCorps.** The stimulus package set aside \$200 million to put approximately 16,000 additional AmeriCorps members to work in national service. Service activities will be concentrated on meeting the needs of vulnerable populations and communities during the recession. Information is available at <http://www.nationalservice.gov/about/recovery/index.asp>.
- **Wireless and Broadband Grants.** This program will receive \$7.2 billion for broadband and wireless services in underserved areas to strengthen the economy and provide business and job opportunities in every section of America, with benefits to e-commerce, education, and health care.
- **Home Weatherization.** This program will receive \$5 billion to help low-income families reduce their energy costs by weatherizing their homes. More information about ARRA funding for the weatherization assistance program can be found at <http://www.waptac.org/sp.asp?id=939>.
- **Economic Development Administration Programs.** This Department of Commerce program received \$150 million in recovery funds. More information about the Economic Development Administration can be found at <http://www.eda.gov>.

Keys to Obtaining Resources

As noted above, NCLR's experience thus far suggests that Affiliates and Hispanic-serving CBOs should do the following:

- **Act quickly.** The urgency of the economic crisis demands that ARRA funds reach communities quickly to help the most vulnerable, create jobs, stem the tide of rising unemployment, and jumpstart local economies. Federal, state, and local governments are all under immense pressure to get the money on the street. Organizations that are current federal grantees should expect to be able to significantly amplify their activities through additional funding. **Federal agencies are expected to begin reporting their competitive grants and contracts in May 2009.** NCLR recommends that Affiliates recognize the exceptional speed with which this legislation will be implemented and act immediately to apply for program funds, even by resubmitting previous applications requesting augmentation of existing grants or contracts.
- **Be proactive.** Organizations should not assume that a traditional request for proposals process will govern how ARRA funds are allocated and awarded. Affiliates are urged to act now to approach decision-makers and federal, state, and local agencies that will be overseeing the grantmaking process. Depending on the funding stream, these decision-makers can range from governors to state agencies to local boards. In some cases, decision-makers may be willing to fund previously submitted or “unsolicited” proposals.
- **Be persuasive and focus on the goals of stimulus.** In both formal and informal settings, it is important that organizations “package” their programs in a way that appears fundable. In addition to programs with successful track records and innovative models, government agencies are seeking to fund programs that create and save jobs, increase economic activity, and seek to stabilize communities within the next two years.
- **Be realistic.** Despite the unprecedented size of the recovery plan, organizations should resist the temptation to request more funds than they are prepared to use. Affiliates are discouraged from applying for grants and contracts without serious consideration of the infrastructure and resources to support new and expanded programs. The administration’s unprecedented emphasis on accountability and transparency is also worth noting, as new projects are likely to require rigorous and timely reporting. Nothing would sabotage future investments in programs more than if organizations fail to use the stimulus money effectively or entirely.

For insight on accessing recovery grants, please visit the National Council of Nonprofits’ website and read its report, *American Recovery and Reinvestment Act of 2009: Grant Application Information, Tips, and Thoughts*, at [http://www.councilofnonprofits.org/files/Special%20Report%202%20-%20Nonprofit%20Grant%20Tips%20\(Feb%2024%20FINAL\).pdf](http://www.councilofnonprofits.org/files/Special%20Report%202%20-%20Nonprofit%20Grant%20Tips%20(Feb%2024%20FINAL).pdf).

NCLR’s Work on Stimulus Implementation

Like all nonprofit organizations, NCLR has limited capacity. We are being challenged and tested to be active on more fronts while continuing to engage deeply in all major policy issues facing the Latino community.

Affiliates can expect that NCLR will be more engaged in stimulus implementation where we have capacity, such as in education, health, housing, and workforce development. Overall, NCLR will:

- **Elevate the importance of targeting federal investments in Latinos.** NCLR will continue to work on advocacy activities that document the experience of Latino workers in the U.S. labor force and the need for targeted investments in education and training. Several publications are forthcoming, including a paper on the impact of state budget crises on the ability of Hispanic-serving CBOs to provide human needs and a white paper analysis of the president's budget.
- **Work with key cabinet secretaries.** NCLR staff will continue to work closely with Secretary of Labor Hilda Solis, Secretary of Housing and Urban Development Shaun Donovan, and others to ensure that recovery funds reach low-wage workers and Latino families in need.
- **Share relevant information with the Affiliate Network.** Through periodic conference calls with issue-focused networks, such as health and workforce development, staff will share information and materials. Policy staff will also work with the Affiliate Member Services team to distribute information through the Affiliate newsletter, the Affiliate Council, and regional or other meetings.

Finally, NCLR requests that Affiliates who successfully secure ARRA funds for specific programs share this information with the NCLR Affiliate Member Services team (affiliate@nclr.org) so that NCLR may track how these dollars are flowing into the Latino community.