MEMORANDUM

TO: Community and Technical Colleges

FROM: Charlie Earl

DATE: March 20, 2009

SUBJECT: American Recovery and Reinvestment Act Update

The American Recovery and Reinvestment Act (ARRA) provides the Washington community and technical colleges with an unprecedented opportunity to increase access and achievement for hundreds of students. While the framework for implementing the ARRA is still unfolding at the federal level, the State Board office is working with Governor Gregoire and partner agencies to use these funds to maximize delivery of quality educational programs and services.

By the end of next week, we expect the Senate and House fiscal chairs to release their legislative budget proposals. This will give us a better idea of how the Legislature is planning to use State Fiscal Stabilization funds and Federal Medicaid funds to mitigate the state budget deficit.

We have been consistent in our message to the Governor, the Legislature, and partner agencies. The community and technical colleges are the providers of both short-term and long-term training and skill development for unemployed, dislocated, and low-income Washingtonians. Further, education and skill development in high demand occupations are essential to Washington’s recovery process. With additional federal stimulus or state resources for enrollment capacity, the community and technical colleges will deliver.

Governor Gregoire has emphasized the following core principles to guide agencies’ planning for use of the ARRA funds:

· Get money in people’s pockets immediately;
· Create or save jobs in the near-term;
· Make innovative investments in areas that lay the foundation for Washington’s 21st century economy;
· Create strategic alliances with the private sector, non-profits, local governments, and other state agencies that align goals and magnify the effect of resources; and
· Be accountable and transparent.

Attached is a list of ARRA programs the State Board office is closely following. The Governor is pursuing a coordinated strategy between her office and the Legislature, State Board, college districts, and partners.
In the past week, OFM and the Governor’s Office have become more explicit in describing the proposal and approval processes for various funding categories. Of all the categories of funding, there are at least three broad process categories.

- Those funds that will be applied directly to relieve the state budget by the Legislature and the Governor. (The $820 million K-12/Higher Education Fiscal Stabilization Fund is an example.)
- Funds that must be applied for; however, they are distributed to states by formula. (WIA funds are an example.)
- Funds that will be distributed by proposal, competition, and grants directly to the eligible institutions. (NSF funds are an example.)

The attached funding category descriptions will clarify the proposal and approval processes to a degree; but, admittedly, much more guidance is needed. In many cases detailed information about how specific programs will be implemented is not yet available. The Governor has asked agencies to submit a Recovery Plan and other details by March 31. We will briefly discuss our office’s efforts to develop this plan at next week’s WACTC meeting. This document will be updated as new information becomes available and posted on the State Board website. Susan Howson (360-704-4396) is the point person for us as we go forward.

Below are two additional sources for information on recovery funding.

State website: recovery.wa.gov

Gov. Gregoire’s ARRA website describes the recovery package, funding requirements, and timelines. It serves as a “one-stop” location for expenditure and accountability information.

Federal website: recovery.gov

President Obama’s ARRA website enables citizens to monitor the progress of recovery. The site will include information about Federal grant awards and contracts, as well as formula grant allocations.

Thank you.

Attachment: ARRA Recovery Fund Programs (See pages below)
STATE FISCAL STABILIZATION FUND (SFSF)
(Discretionary fund that may be used to assist with state budget deficit)

**Description:** Funds are provided to help stabilize state and local government budgets in order to minimize and avoid reductions in education and other essential public services.

**Funding Mechanism:** Education and Flexible grants are allocated to states based on state population. Governors must submit an application that includes assurances. The grant application and detailed program guidance will be released by late March. A portion of the funds may be reserved for a new State Incentive Fund at the Secretary of Education’s discretion. Governors may also seek fiscal and regulatory relief from other federal education programs.

- **81.8% of SFSF** restores education funding to the greater of the level in FY 2008 or FY 2009.
  - Governor must **first** use the allocation to:
    - Fill shortfalls for elementary, secondary and postsecondary education, and early childhood education programs and services (as applicable)
    - Restores state support for public higher education institutions (excluding tuition and fees) to the greater of FY 2008 or FY 2009 to fill in the gap for FY’s 2009, 2010, and 2011. Must maintain at least the FY 2006 level of support for FY 2009-2011.
  - Public higher education institutions that receive SFSF must use the funds for educational and general expenditures, and in such a way as to mitigate the need to raise tuition and fees for in-state students.
  - Distribution between K-12 and higher education is influenced by WA’s legislative budget development process, and application from the Governor to the U.S. Department of Education (USED).

- **18.2% of SFSF** supports public safety and other government services, which may include:
  - Assistance for elementary, secondary and public institutions of higher education
  - Modernization, renovation and repair of public school facilities and institutions of higher education

**State Amount:** $819.9 million (81% Education Grants); $182.4 million (18.2 % Flexible Grants)

- The SFSF also includes $5 billion for a new **State Incentive Fund** within the U.S. Department of Education. This includes $4.35 billion to make competitive "Race to the Top" grants to help states with plans to improve student achievement and $650 million to make competitive "Invest in What Works and Innovation" awards to assist school districts and non-profit organizations. Guidelines are expected to be issued by the USED in the near future. Funding available Fall 2009.

**Eligible Entities:** State

**Responsibility for Implementation:** State

**Federal Agency:** Education, Dept. of

WORKFORCE INVESTMENT ACT (WIA)

Description: Through the Department of Labor, supports training and employment services for dislocated workers, adults, and youth.

Funding Mechanism: Funds are distributed to the State under the existing Workforce Investment Act formula grant program. State workforce development agencies and local workforce investment boards are eligible to apply to the state for funding.

- Funds available through June 30, 2010. States are required to submit extension request for PY 2009 State Plan, waiver extension requests, and proposed performance level by April 15, 2009. States are required to submit PY 2009 State Plan modification by June 30, 2009.
- Workforce Investment Boards may award contracts to institutions of higher education or other training providers to facilitate the training of multiple individuals in high-demand occupations and does not limit customer choice.

➢ Dislocated Worker Services - Provides grants to states for dislocated worker employment and training activities.

State Amount: $16.1 million

➢ Adult Services - Provides grants to states for adult employment and training activities, including supportive services and needs-related services to support the employment and training needs of priority populations, including recipients of public assistance and other low-income individuals.

State Amount: $9.8 million

➢ Youth Formula Grants (incl. summer jobs) - Provides funding to create employment opportunities for youth. Work readiness will be the only performance measure to assess the effectiveness of the program. Expands eligibility age limit from 21 to 24 years of age.

State Amount: $23.7 million

Eligible Entities: State
Responsibility for Implementation: State

Federal Agency: Labor, Dept. of

Clarification of the WIA formula grants (Senator Murray’s Colloquy):
[http://www.workforceatm.org/articles/template.cfm?results_art_filename=WIAFormula.htm](http://www.workforceatm.org/articles/template.cfm?results_art_filename=WIAFormula.htm)

WORKFORCE TRAINING GRANTS FOR HIGH GROWTH AND EMERGING INDUSTRIES – GREEN JOBS and HEALTH CARE

Description: Provides funding for worker training and placement in high growth and emerging industries. A major portion of available funding is targeted for research, labor exchange and job training projects that prepare individuals for careers in energy efficiency and renewable energy as defined in the Workforce Investment Act Energy Efficiency and Renewable Energy Worker Training Program [Section 171(e)(1)(B) of the Workforce Investment Act]. Other funding ($250 million) may also be provided for projects that prepare workers for careers in the health care sector.

Funding Mechanism: Competitive grants, process not yet specified.

Eligible Entities: Businesses  Individuals  Other  State Government  Community Colleges
Responsibility for Implementation: Federal

Federal Agency: Labor, Dept. of
Federal Web Site: http://www.doleta.gov/grants/
Federal Amount: $750 million

YOUTHBUILD

Description: Provides funding for YouthBuild activities. In YouthBuild programs, low-income young people ages 16-24 work toward their GED or high school diploma while learning job skills by building affordable housing for homeless and low-income people. Strong emphasis is placed on leadership development and community service.

Funding Mechanism: Provides competitive grants to local YouthBuild programs throughout the state.

Eligible Entities: Non-Profit Organizations
Responsibility for Implementation: Federal

Federal Agency: Labor, Dept. of
Federal Web Site: http://www.youthbuild.org/site/c.htIRI3PIKoG/b.1223921/k.BD3C/Home.htm
Federal Amount: $50 million
American Reinvestment and Recovery Act Funding

BROADBAND TECHNOLOGY OPPORTUNITIES PROGRAM - Public Computing Centers

**Description:** Provides funding for public computer centers at community colleges and libraries.

**Funding Mechanism:** This program is administered by the National Telecommunications and Information Agency (NTIA) under the U.S. Department of Commerce. Funding will be made available competitively as matching grants to eligible entities. Detailed program information and application materials are not yet available.

At the federal level, the Rural Utility Service, under the USDA, shares responsibility for broadband implementation with the NTIA and the Federal Communications Commission (FCC). These agencies are currently working to develop common approaches to implementation of broadband funding under the Recovery Act.

**Eligible Entities:** Local Government  Schools or School Districts  State Government  Community Colleges  Universities

**Responsibility for Implementation:** Federal

**Federal Agency:** Commerce, Dept. of

**Federal Web Site:** [http://www.ntia.doc.gov/broadbandgrants/](http://www.ntia.doc.gov/broadbandgrants/)

**Federal Amount:** $200 million

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA) FUNDING - Amercian Recovery Program

**GRANT SOLICITATION ANNOUNCEMENT MARCH 11, 2009. PLEASE SEE FEDERAL WEBSITE BELOW FOR MORE INFORMATION.**

**Description:** Provides grants to states, local government entities and eligible non-profits to create jobs and generate private sector investment by promoting comprehensive, entrepreneurial and innovation-based economic development efforts. Priority consideration will be given to those areas that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring.

**Funding Mechanism:** Competitive grants through EDA'a six regional offices. One of the regional offices is located in Seattle, WA.

**Eligible Entities:** Higher Education Institutions (or Consortium of HE Institutions)  Local Government  Non-Profit Organizations  State Government

**Responsibility for Implementation:** Federal

**Federal Agency:** Commerce, Dept. of

**Federal Web**
Site:  http://www.eda.gov/xp/EDAPublic/NewsEvents/PressReleases/PRWashington031109.xml
Federal Amount:  $150 million
HEALTH RESOURCES AND SERVICES - Health Professionals Workforce

**Description:** Provides funding to address health professional workforce shortages. Funds may be used to provide scholarships, loan repayments, and grants to training programs for equipment and other grants. Funds available through September 30, 2011.

**Funding Mechanism:** Unknown at this time.

**Responsibility for Implementation:** Federal  State

**Federal Agency:** Health & Human Services, Dept. of  
**Federal Web Site:** [http://www.hhs.gov/recovery/programs/index.html](http://www.hhs.gov/recovery/programs/index.html)  
**Federal Amount:** $200 million

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ELECTRICITY DELIVERY AND ENERGY RELIABILITY - Electricity and Energy Worker Training

**Description:** Provides funds to support worker training related to electricity delivery and energy reliability activities that modernize the electric grid; enhance security and reliability of energy infrastructure; conduct energy storage research, development, demonstration, and deployment; and facilitate recovery from disruptions to the energy supply, and for implementation of programs authorized under title XIII of the Energy Independence and Security Act of 2007.

**Funding Mechanism:** Detailed program information and application materials are not yet available, but the funding opportunities announcement is expected to be released in the near future.

**Eligible Entities:** Businesses  Individuals  Non-Profit Organizations  Other  State Government  Community Colleges

**Responsibility for Implementation:** Federal

**Federal Agency:** Energy, Dept. of  
**Federal Web Site:** [http://www.oe.energy.gov](http://www.oe.energy.gov)  
**Federal Amount:** $100 million
HOME WEATHERIZATION ASSISTANCE PROGRAM

**Description:** Provides funding to help low-income families reduce their energy costs by weatherizing their homes to make our country more energy efficient. Training and technical assistance funding permitted up to 20% of total appropriation.

**Funding Mechanism:** State contracts with providers to carry out weatherization activities for eligible homes.

**State Amount:** $70 million

**Eligible Entities:** Individuals  Tribal Government

**Responsibility for Implementation:** State

**Federal Agency:** Energy, Dept. of

ENERGY EFFICIENCY AND RENEWABLE ENERGY RESEARCH

**Description:** Provides funding for research, development, and demonstrations of renewable energy technologies (including biomass, geothermal, water power, and solar energy) and energy efficiency demonstrations for industrial and commercial practices (such as combined heat and power projects). Grants may also be used to accelerate research and development for advanced batteries necessary for the conversion to electric vehicles and the storage of energy to increase the effectiveness of renewable energy projects. Specific funding is set aside for projects related to biomass and geothermal activities.

**Funding Mechanism:** Administered by the U.S. Department of Energy through competitive grants. On March 4, 2009, DOE issued two FOAs for enhanced geothermal systems. The combined FOAs offer up to $84 million over six years, with $20 million allocated for the 2009 fiscal year. Future funding is subject to congressional appropriations. The first FOA would provide up to $35 million for component research, development, and analysis to investigate the use of engineered geothermal reservoirs. The second FOA apports $49 million for 5-10 domestic enhanced geothermal system demonstration projects. Detailed information about other grant opportunities is not yet available.

**Eligible Entities:** Businesses  Individuals  Local Government  Non-Profit Organizations  Other  State Government  Community Colleges  Tribal Government  Universities

**Responsibility for Implementation:** Federal

**Federal Agency:** Energy, Dept. of

**Federal Web Site:** [http://www.eere.energy.gov/](http://www.eere.energy.gov/)

**Federal Amount:** $2.5 billion
BROWNFIELDS JOB TRAINING GRANTS

APPLICATIONS FOR JOB TRAINING GRANTS DUE APRIL 20, 2009.

Description: Provides funding to eligible governmental entities and non-profit organizations to provide environmental job training projects that will promote job creation and economic development by facilitating the assessment, remediation, or preparation of brownfields sites. Eligible applicants must identify and propose to serve a community that currently receives, or has received, financial assistance (federal, state, or tribal) for brownfields assessment, revolving loan fund, cleanup, site-specific work carried out by state or tribal response programs, and/or targeted brownfields assessments performed directly by EPA.

Funding Mechanism: Competitive grants. Funding announcement EPA-ARRA--OSWER-OBLR-JT for job training grants is available at [http://www.grants.gov](http://www.grants.gov) for more information.

Eligible Entities: Local Government Non-Profit Organizations State Government Tribal Government

Responsibility for Implementation: Federal

Federal Agency: Environmental Protection Agency
Federal Web Site: [http://epa.gov/swerosp/bf/job.htm](http://epa.gov/swerosp/bf/job.htm)
Federal Amount: $5 million

BUREAU OF INDIAN AFFAIRS - Office of Indian Programs

Description: Provides funding for workforce development and training programs as well as the housing improvement program.

Funding Mechanism: Detailed program information and application materials are not yet available, but the funding opportunities announcement is expected to be released in the near future.

Eligible Entities: Tribal Government

Responsibility for Implementation: Federal

Federal Agency: Interior, Dept. of the
Federal Amount: $40 million
NATIONAL SCIENCE FOUNDATION - ROBERT NOYCE SCHOLARSHIP PROGRAM

**Description:** Discretionary grants to institutions of higher education to support scholarships, stipends, and academic programs for undergraduate STEM majors and post-baccalaureate students holding STEM degrees who commit to teaching in high need K-12 school districts.

**Funding Mechanism:** Competitive

**Eligible Entities:** Universities and two- or four-year colleges (including community colleges)

**Responsibility for Implementation:** Federal

**Federal Agency:** National Science Foundation


**Federal Amount:** $60 million

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NATIONAL SCIENCE FOUNDATION – MATH AND SCIENCE PARTNERSHIP

**Description:** Discretionary grants for partnerships, which may include institutions of higher education. This is a research and development effort that supports innovative partnerships to improve K-12 student achievement in math and science.

**Funding Mechanism:** Competitive

**Eligible Entities:** Universities and two- or four-year colleges (including community colleges)

**Responsibility for Implementation:** Federal

**Federal Agency:** National Science Foundation


**Federal Amount:** $25 million
TEACHER QUALITY ENHANCEMENT GRANTS

Description: The three Teacher Quality programs authorized by Title II--State Grants, Partnership Grants, and Teacher Recruitment Grants--are for improving teacher education programs, strengthening teacher recruitment efforts, and providing training for prospective teachers. According to USED guidance, funds will be available in the beginning of Fall 2009.

Funding Mechanism: Competitive. Guidelines will be posted in the near future.


Responsibility for Implementation: Federal

Federal Agency: Education, Dept. of


Federal Amount: $100 million

INSTITUTE OF EDUCATION SCIENCES – STATEWIDE DATA SYSTEMS

Description: The Statewide Longitudinal Data Systems program provides grants to State Education Agencies to enable them to design, develop, and implement statewide, longitudinal data systems to efficiently and accurately manage, analyze, disaggregate and use individual student data. As provided for under ARRA, funding provided under this competition is to be used for statewide data systems that, in addition to K-12 data, also include postsecondary and workforce information.

Funding Mechanism: Competitive. Guidelines will be posted in the near future.

Eligible Entities: State

Responsibility for Implementation: Federal

Federal Agency: Education, Dept. of


Federal Amount: $250 million
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

Description: Provides funding to provide training and assistance with job placement for workers over age 55 with significant employment barriers, including disabilities, poor work history, and low skills.

Funding Mechanism: Formula grant to states

State Amount: $1.6 million

Eligible Entities: Local Government  Non-Profit Organizations

Responsibility for Implementation: State

Federal Agency: Labor, Dept. of
Federal Web Site: http://www.doleta.gov/seniors/
Federal Amount: $120 million

VOCATIONAL REHABILITATION STATE GRANTS - Title 1 Part - B

Description: Provides additional grant funds to states to support the existing VR State Grant Program which provides services to individuals with disabilities to prepare for and engage in gainful employment. The additional federal funds will be used to assist individuals who have a physical or mental impairment that results in a substantial impediment to employment, who can benefit from vocational rehabilitation (VR) services for employment, and who require VR services.

Funding Mechanism: Funds are distributed to states based on a formula that takes into account population and per capita income to cover the cost of direct services and program administration. This is a federal draw program.

State Amount: $10.4 million

Eligible Entities: State Government

Responsibility for Implementation: State

Federal Agency: Education, Dept. of
TRADE ADJUSTMENT ASSISTANCE (TAA) REAUTHORIZATION – Extended through 2010

Description: Serves dislocated workers who are determined eligible due to job loss resulting in shifts of production of jobs to other countries, or job loss due to increased imports. The new law expands the potential group of workers who could apply for TAA benefits, including those in the service industry. There are significant benefits through this program, including retraining, relocation, job search assistance, Alternative Trade Adjustment Assistance (ATAA), Health Care Tax Credit (HCTC). Through this program, eligible participants in retraining qualify for income supports known as extended Trade Readjustment Allowances (TRA), when their state benefits run out.

Funding Mechanism: Funds are allocated to states based on formula. Workers may use benefits to pursue postsecondary degrees at institutions of higher education.

Eligible Entities: State Government
Responsibility for Implementation: State

Federal Agency: Labor, Dept. of
Federal Web Site: http://www.doleta.gov/tradeact/

TRADE ADJUSTMENT ASSISTANCE (TAA) – Community College and Career Training Grant Program

Description: Institutions of higher education can apply for competitive grants for training programs for TAA eligible workers. Maximum grant is $1 million per institution.

Funding Mechanism: Competitive grants. Guidelines posted June 1, 2009.

Eligible Entities: Higher Education Institutions
Responsibility for Implementation: State

Federal Agency: Labor, Dept. of
Federal Web Site: http://www.doleta.gov/tradeact/
Federal Amount: $40 million for FY09-FY10; $10 million for 10/1/10-12/31/10.
CHILD CARE DEVELOPMENT BLOCK GRANT

Description: Provides a temporary increase to states to provide subsidized child care services for low-income families and to improve the quality and supply of child care for all families.

Funding Mechanism: State claims funds based on expenditures for child care-related activities.

State Amount: $33.3 million

Eligible Entities: State Government

Responsibility for Implementation: State

Federal Agency: Health & Human Services, Dept. of


FEDERAL WORK STUDY PROGRAM

Description: The Federal Work Study (FWS) program provides funds that are earned through part-time employment to assist students in financing the costs of postsecondary education. Students can receive FWS funds at approximately 3,400 participating postsecondary institutions. Institutional financial aid administrators at participating institutions have substantial flexibility in determining the amount of FWS awards to provide to students who are enrolled or accepted for enrollment. Hourly wages must not be less than the federal minimum wage. Funds available beginning July 1, 2009.

Funding Mechanism: Formula grants made directly to eligible postsecondary institutions that apply for an allocation of funds to be awarded to students.

Eligible Entities: Institutions of higher education

Responsibility for Implementation: Federal

Federal Agency: Education, Dept. of


Federal Amount: $200 million
PELL GRANTS - Federal Student Financial Aid

Description: Pell Grants are considered a foundation of federal student financial aid, to which aid from other federal and nonfederal sources might be added. A Federal Pell Grant, unlike a loan, does not have to be repaid. The American Recovery and Reinvestment Act increases the maximum Pell Grant award to $5,350 and provides additional funding to support these grant awards.

Funding Mechanism: Individuals receive Pell grants by applying and qualifying for federal financial aid. For eligible students, the Pell grant amount received will depend not only on financial need, but also on costs to attend school, status as a full-time or part-time student, and plans to attend school for a full academic year or less.

Eligible Entities: Individuals
Responsibility for Implementation: Federal

Federal Agency: Education, Dept. of