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Even before he took office last week, President Barack Obama began a vigorous campaign to mobilize support for a massive economic stimulus initiative to combat a deepening recession that has already driven the unemployment rate sharply higher and is threatening even worse economic pain for millions of Americans.

To have a realistic chance of success, the president has consistently emphasized that such a program must be implemented swiftly, so as to provide a significant jolt to the sputtering economy. And with the release of the House Appropriations Committee's economic stimulus bill last week, it appears that legislators on Capitol Hill have heeded the president's call.

The \$825 billion House bill, known as the "American Recovery and Reinvestment Act of 2009," targets a wide range of existing grant programs for a one-time funding boost, but only on the condition that those funds are put to work quickly. Title I of the bill lays out an ambitious goal of allocating at least 50 percent of all grant funds to projects that can begin within 120 days of the final bill's enactment into law. But depending on the specific grant program, prospective grantees could expect to see funding availability notices much sooner.

As presently written, the House bill, on which debate on the House floor is tentatively slated to begin Jan. 28, would require federal agencies to award *discretionary* grants within 90 days of enactment, whereas *formula* grants — which do not involve a competitive selection process — would have to be distributed within a mere 30 days. And once awards are made, grantees will need to move quickly in order to keep the money.

To ensure that grant funds impact the economy as soon as possible, the House legislation would require grantees to spend at least half of the funds within nine months of the initial award date, and the remaining 50 percent within one additional year. To meet these requirements, grantees would have to enter into contracts or other binding commitments for goods and services to be provided by third parties, or — in the case of goods or services to be provided directly — certify the exact amounts to be spent, within a timetable that adheres to the rules described above.

Grantees that fail to satisfy these requirements would forfeit their awards to the grantor agency, which would in turn redistribute the funds to other eligible grantees according to the bill's "use it or lose it" provision.

### **New, Revived Programs to Augment Existing Grants**

One relaxation to the House's compressed timetable for the commitment of grant funds pertains to programs that did not receive funding in fiscal year 2008, for which the House bill would grant an additional 30 days on top of the 90- and 30-day limits set for discretionary and formula grants, respectively. And with funding for two brand-new programs, as well as a recently defunded one, this could be a significant technicality.

Title III of the House bill would establish two new grant programs, administered by the Department of Commerce's National Telecommunications and Information Administration: Wireless Deployment Grants and Broadband Deployment Grants. The two programs, funded at over \$2.8 billion, would pay the nonrecurring costs of deploying broadband and wireless voice service infrastructure. Eligible applicants for the two programs would include state and local government agencies, and, at the discretion of the NTIA, any private company that provides access to the infrastructure on a "neutral, reasonable basis" to maximize use.

A separate provision of Title III would also restore funding to a more familiar program: Community Oriented Policing Services, or COPS, for which Congress recently terminated funding at the behest of the Bush administration. Despite the popularity of the Clinton-era program, which multiple reports credited for reducing crime levels in the 1990s, former president Bush argued successfully that COPS had attained its stated goal of adding 100,000 police officers nationwide and persuaded Congress to discontinue appropriations.

A proposed \$1 billion appropriation would restore COPS funding to levels not seen since FY 2003.

~ by Jim Patterson

In the coming days and weeks, the *Economic Recovery Grants Center* will be detailing each of the grant programs included in the American Recovery and Reinvestment Act and will provide subscribers with all the information – both program-specific and more general grant-related – they need to successfully compete for their share of funds.