

**THE MEADOWS FOUNDATION
&
THE BOONE FAMILY FOUNDATION**

in cooperation with
The Conference of Southwest Foundations

Present

THE FEDERAL STIMULUS PACKAGE

***What Does It Mean For Texas
and How Can Foundations Be Involved?***

May 18, 2009

The Federal Stimulus Package/America Recovery and Reinvestment Act of 2009 (ARRA) provides a rare opportunity for constructive impact on decisions at the state, regional and local levels. Funds will be available through existing programs and new competitive grant opportunities. Attracting these funds for local projects is top priority for local communities and nonprofit agencies across the state. Eligibility requirements vary with funding source and may create unique ways for foundations to support nonprofit agencies in accessing and complying with these one-time resources.

Panels

- »» **Health / Human Services / Tax Credits**
- »» **Housing / Environment**
- »» **Education / Workforce / Americorps**

Speakers

Ray Perryman, *President and CEO, The Perryman Group*
Ken Nicolas, *Advisor, Office of Governor Rick Perry*
Michael Hinojosa, *DISD Superintendent*
Tom Luce, *CEO, National Math & Science Initiative*
Jerel Booker, *Texas Education Agency Associate Commissioner*
Laura Bouillion Larrea, *President – Workforce Solutions*
Elizabeth Seale, *President/CEO, OneStar Foundation*
Michael Gerber, *Executive Director, Texas Department of Housing*
Norman Henry, *Executive Director, Builders of Hope CDC*
Luke Metzger, *Director, Environment Texas*
Patrice “Pete” Parsons, *South Center Regional Director, ICLEI*
Walter Moreau, *Executive Director, Foundation Communities*
F. Scott McCown, *Executive Director, Center for Public Policy Priorities*
Eva DeLuna Castro, *Senior Budget Analyst, Center for Public Policy Priorities*
Larry James, *President and CEO, Central Dallas Ministries*
Dr. Sandy Benavides Vaello, *Director of Clinical Affairs, Texas Assn. of Community Health Centers*

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WHAT FOUNDATIONS CAN DO

A Summary Of Ideas From The May 18, 2009 Conference

GENERAL

- **Talk** to grantees – What ARRA opportunities are they working on, if any? How can the foundation help?
- **Facilitate** meetings between local nonprofits and local and state officials to increase the level of knowledge about what types of ARRA funding opportunities are available to organizations.
- **Advocate** for state and local governments to funnel stimulus dollars into the nonprofit sector. Examples include making sure stimulus homeless prevention funds are available to nonprofit homeless service agencies or utilizing green building funds on nonprofit buildings as well as city-owned property.
- Provide **research & planning** grants designed to help state, regional or local organizations analyze needs and opportunities so as to best invest stimulus resources.
- Support **capacity-building** of state and local agencies and nonprofits. Many federal stimulus funds for nonprofit organizations come with little or no additional dollars to administer expanded program. Governmental agencies and nonprofit organizations may need to hire additional employees to apply for ARRA funds and/or to implement new and expanded programs.
- Make **Program Related Investment Loans** for the purchase of real estate. With the decline in real estate prices, now may be a good time for organizations to purchase facilities. Also groups struggle to secure conventional loans as banks have restricted lending.
- **Encourage** local nonprofit management centers to provide grant-writing and research assistance to nonprofit organizations seeking federal stimulus money. This might require grants to hire personnel to provide this level of help.
- Provide **matching grants** for agencies to draw down any stimulus funding that requires nonfederal funding.
- Purchase **technology** particularly for tracking stimulus expenditures and for creating Web sites to demonstrate transparency to the general public.

- **Collaborate** with other funders, nonprofit agencies and governments in making joint applications for competitive stimulus funds.

SPECIFIC RECOMMENDATIONS

AMERICORPS/NATIONAL SERVICE ACT

- Convene potential applicants to learn about available funds
 - For federal funds nonprofits should search Grants.gov
 - For state funds nonprofits should search with each state agency
 - There is an online tool called Texas eGrants (<http://www.texasonline.state.tx.us/tolapp/egrants/search.htm>)
- Encourage networks to register if they are interested in stimulus funds
 - Pre-Register: ARRA requires organizations to have a Data Universal Numbering System (DUNS) number and to register in the Central Contractor Registration (CCR) database.
- Support capacity building efforts to ensure nonprofits focus on sustainability over time.
- Help increase Americorps numbers by providing supplemental funds for transportation and housing needs of Americorps grantees
- Local agencies need matching funds in order to apply for Americorps funds.
- Service America Act signed in to law April 21 to authorize federal grants to intermediary organizations who get equal match to help smaller nonprofits to develop the infrastructure of nonprofits foundations. Foundations can put \$\$s to make this happen.

EDUCATION

- U.S. Department of Education is looking for intermediaries to help them distribute some of the stimulus funds.
- U.S. Dept. of Education is also looking for multi-state, multi-sector models to support with discretionary funds; example National Math and Science Initiative
- Assist local school districts with their requirement to report certain metrics regarding the use of ARRA funding. Many school districts, especially smaller, rural districts do not currently have the capacity for reporting at the required level.
- Convene local and state agencies to exchange information regarding best practices in education.

- Partner with the state education agency to coordinate incentives to get local school districts to “step-up” their programs.
- Meet with the local school districts to see if they need help with programs that cannot be enhanced or supported under the provisions of the ARRA.
- Help the school districts be proactive and think outside the box regarding programs and grant preparation for the competitive ARRA grants.
- There may be philanthropic dollars needed to sustain certain efforts after the stimulus money is gone.

ENERGY

- Support a consultant or other expert to help small cities and counties identify projects that qualify for Energy Efficiency and Conservation Block Grant funds (end of June deadline)
 - May need planning grants
- Provide funding to leverage local governments’ funding

ENVIRONMENT

- Provide capacity–building grants to expand and absorb the additional money (expand management capacity)
- Encourage nonprofits to adopt policies for sustainable organizational development
- Fund program development and analysis of job creation benefits of these programs (job creation is necessary to access stimulus dollars)
- Educate the public about programs (developing literature, regionally specific websites, door-to-door canvassing, regional workshops)
- Fund efforts to show how ARRA is helping Texas
- Fund efforts to develop best practices for agencies
- Help develop strategic plans for governments

- Advocate for wise use of money (ex. 20% of water funding for green infrastructure)
- Organize town hall meetings to get public involved in decision making
- Help write rules for implementation
- Help evaluate success of programs, determine best practices

HEALTH

- National Council of Nonprofits website is a good resource that has given thought on how to include nonprofits in ARRA
 - webinar next week
- Foundations could help with areas not covered by ARRA:
 - Mental health coverage will not be covered
 - Loss of private health insurance will increase uninsured #s
 - Cash assistance to low income individuals/families
 - Most \$ is going to organizations/entities that already received federal \$s (because feds are trying to get \$s out quickly)
- Foundations can help ARRA community health centers to access health infrastructure technology \$s because the centers need technical assistance with the technology and assistance integrating systems

HOUSING

- Because many of the federal funds are going to local governments, , foundations may need to adjust giving approach to include state/local government sources. Need to quickly identify how partnerships could work between the local government recipient and local nonprofits. Much of the need will be at the local government level.
- Foundations need to strategize as a group to fill as many gaps as possible; not all try to help in the same way.
- Continuation of the newly created Weatherization Training Academy for recipient staff and contractors. Funds are being provided to create a training academy curriculum and operation but they are temporary and no funds will be available to continue the academy.

- Expansion of the weatherization program to a more comprehensive “Healthy Home” concept using the concept of the National Center for Healthy Housing and including homeowner education on their home, provision of child safety features, etc.
- Innovations: Many newer energy efficiency technologies are not authorized by the Department Of Energy to be used in weatherization. Funds to provide for the use of newer innovations (such as radiant barriers) could better leverage federal dollars
- Construction and rehabilitation of homeless facilities (none of ARRA funds can be used for these activities)
- Funds for discharge planning for homelessness programs
- Innovations and pilot programs relating to targeted homeless sub-populations such as ex-offenders, youth exiting the foster system, persons being deinstitutionalized, and veterans
- Innovations and prevention steps targeted to the newer population of persons facing possible homelessness specifically from the economic downturn (financial literacy programs, foreclosure prevention)
- Disaster Recovery: Limited funds are available for homes needing historic preservation or accommodations for special needs, and communities with distressed infrastructure (Council Of Governments and local governments control the funds)
- Gap Rental Assistance: Special Population individuals may be eligible and ready to exit an institution and their only impediment is that they are still awaiting rental assistance (from either TDHCA or a local housing authority). Foundations could provide temporary voucher assistance to cover rent until a more permanent voucher becomes available
- Collaborate to institute a partnership program where VITA (Volunteer Income Tax Assistance) centers are integrated into each Community Action Agency so that there is a statewide network of centers that are in locations where lower income populations are already receiving services
- Provide grants for New Staff/Consultant Fees/Capacity Building:
 - Staffing Needs:
 - Development Person to prepare federal and local grant applications
 - Capital Campaign Consultant – housing is capital intensive
 - CFO to assist with financial reporting issues
 - Real Estate Development expertise
 - Marketing/Sales Expertise
 - Technology Support
 - Build internal capacity with seasoned Executives
 - Technical assistance in managing and administering funds
 - Flexible Funding for General Operations
 - Seasoned Executives to work with nonprofits on part-time basis until market improves. “Bring Private Sector Talent to Nonprofits”

- PRI Loans and Grants
 - Working Capital – timing of reimbursement from government reimbursement.
 - Revolving Acquisition/ Construction/Rehab Loans –allow nonprofits time to sell or lease/purchase
 - Leverage bank, stimulus and other grant funds
 - Land Banking -Equity for nonprofits to acquire developed lots
 - Revolving Loan Fund for Working Capital. Secured deposit with bank to leverage up by 50%.

- Housing Task Force
 - Help leverage funding for government and other sources
 - Help nonprofits be agents of democracy and give voice to the powerless. Statewide Advocacy Funding for TACDC.
 - Change agent for systemic changes

HUMAN SERVICES

- Foundations could help with outreach to determine who is eligible for the nutrition \$s; Texas \$ depends on enrolling people but the state is unwilling to invest in outreach to enroll people (food pantries is an example of agencies that can do this)
- Foundations can get together more often with each other like this meeting and with providers to make things happen
- Nonprofits can get info but often need help processing the information. Nonprofits need more eyes and brain power to re-align things so when \$ is gone, services can remain aligned and not go back to business as usual
- Foundations can support Program Related Investments to collaboratives
- Foundations can help with pre-program development resources; this is an opportunity to be smart about developing programs; foundations can host meetings, convene, provide technical assistance, etc.
- Foundations can help data collection; these \$s will be under lots of scrutiny for results; this is an opportunity to create systems to demonstrate impact
- Foundations can form true partnerships with nonprofit and public sector allies for dialogue
- Foundations can help nonprofits to invest in what nonprofits discover works along the way

TAX CREDITS

- \$38B will be coming to Texas when taken into account tax credits plus federal dollars not flowing through state agencies
- Texas needs help with policy; foundations have unique opportunity to invest in policy research to make case for better ways to make case for coverage to go those ways
- Foundations can help agencies to maximize and help more people access alternative tax credits with outreach through VITA or community tax centers
- Foundations can do PR to help individuals know more about the changes in tax laws in order to reach more individuals
- Support for community tax centers is a critical way in which foundations can help large #s of individuals
- Another way foundations can help is through individualized financial coaching
- Foundations can bring key players together to make sure the right nonprofits are providing tax assistance
- Foundations can do advocacy, PRI for a building or site, fund grant writers for IRS \$ or to leverage
- Foundations can help fund technical assistance, marketing, outreach statewide

WORKFORCE

- Contact your local workforce board if you know of a good agency to serve as a summer work site under the summer jobs program for youth ages 14-24. Salaries of youth to be paid with ARRA dollars.
- Register at www.workforce3one.org to receive emails on competitive grants for worker training and placement in high growth and emerging industry sectors. Share this information with local non-profit agencies.
- Help educate the public on the availability of subsidized childcare for lower income workers.