

American Recovery and Reinvestment Act: Workforce Development Impacts

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CMHDA Directors Meeting
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Background: American Recovery and Reinvestment Act of 2009

- Signed by President Obama on February 17th
- Total Economic Stimulus Package: \$787 Billion
- Education and Training Funds: \$78 Billion
- Funds distribution process has not been determined for many of these new or expanded programs
- Governor has created a California Federal Economic Stimulus Task Force – to track dollars and ensure spending is done with transparency and accountability

Following the Numbers for California

California Will Receive Over \$31 Billion in State Aid:

- Health: \$9 Billion
- Education: \$7.9 Billion
- Labor and Workforce Development: \$5.9 Billion
- Social Services: \$3.5 Billion
- Transportation: \$2.6 Billion
- General purpose fiscal stabilization: \$1.1 Billion
- Resources/environmental: \$597 Million
- Housing programs: \$381 Million
- Criminal Justice: \$264 Million
- Other: \$27 Million

Higher Education Dollars

- ARRA funds five targeted higher education programs.
 - CA colleges or students are direct beneficiaries – no state administration
- 1. *Higher Education Tax Credits.*** American Opportunity Tax Credit to replace existing Hope tax credit that reimburses eligible students for college enrollment fees. New credit is larger and available to more students.
 - 2. *Pell Grants for low-income undergraduates.*** ARRA increases maximum Pell award and expands program eligibility. CA public university and community college students expected to receive \$500 million in additional Pell Grant funds in 2009–10.

Higher Education Dollars cont'd

3. California universities eligible for hundreds of millions of dollars in competitive grants for scientific research.
4. California public colleges and universities could receive an additional \$21 million in additional federal work–study funds in 2009–10.
5. Changes to the rules for Section 529 college savings plans will allow students to count computer equipment and technology and services, including Internet access, as qualified higher education expenses in 2009 and 2010.

State and Local Funds

- Workforce Investment Act (WIA)
 - State awards
 - Competitive Awards
- National Health Service Corps Grants
- Senior Employment Funds
- Broadband Access Funds

State-Administered Dollars: Workforce Investment Boards (WIBs)

- The federal WIA provides funding for a range of workforce development activities through statewide and local agencies. The WIA has separate funding streams for youth, adults, and dislocated workers.
- Additional ARRA WIA funds for CA: \$494 million
 - \$420 million will be allocated to local WIBs to administer local workforce development activities
 - \$74 million for state discretionary purposes.
 - For state FY 09-10 and 10-11 expenditures

WIA Competitive Grants

- The ARRA also includes the following WIA discretionary grants for state, local WIBs, and other providers and agencies:
 - \$200 million available nationally for additional dislocated worker assistance
 - \$50 million available nationally for YouthBuild activities, specifically targeting individuals who have dropped out of high school and re-enrolled in an alternative school.
 - \$750 million available nationally for competitive grants for worker training and placement in high growth and emerging industry sectors, including \$500 million targeted for preparing workers for careers in energy efficiency and renewable energy.

National Health Service Corps

- ARRA provides \$500 million nationwide to support health care workforce development programs.
- This includes \$300 million for the federal National Health Service Corps.
 - \$240 million for recruitment/retention awards
 - \$196 for loan repayment programs
 - \$24 million for scholar placement
- CA's share unknown at this point.
- Applications will be available later this month

Senior Employment Program

- California eligible to receive up to \$9.5 million for Senior Employment Program through ARRA
- California's Senior Community Employment program administered through CDA. Funded with a combination of federal and local matching funds.
- Program is provided through local Area Agencies on Aging (AAAs).
- Part-time, subsidized training and employment for low-income individuals age 55 or older.
- Actual California award may depend on the ability to secure local matching funds to draw down these additional federal funds.

Wireless and Broadband Access

- ARRA appropriates \$4.4 billion to the National Telecommunications and Information Administration (under the Department of Commerce) for competitive grants
- Awarded nationally to increase the deployment of broadband services in “unserved and underserved areas.”
- One central entity to apply for all recipients in state (cable and wireless providers, CBOs, etc.
- LAO recommended CPUC fill this role

Wireless and Broadband Access cont'd

- Rural Broadband Infrastructure Development – the Rural Utilities Service will be making competitive grants and loans through its distance learning, telemedicine and broadband programs (\$2.5 billion)
- Grants will be administered by the Department of Agriculture
- These funds are expected to flow directly to rural telecommunications carriers

Vocational Rehabilitation

- ARRA provides \$540 million to promote employment of people with disabilities – in California, the estimated impact is \$56.5 million
- These funds are allocated to state Vocational Rehabilitation agencies under the program's allotment formula and are in addition to the funds received under the regular FY 2009 appropriation for the VR State Grants program

Potential County Benefits

- Partnerships with local WIBs – Do you work with your local WIB?
- Eligible county staff and CBO staff will be able to apply to have student loans repaid in exchange for a commitment to work in public mental health!!
 - Applications will be through National Health Service Corps.
 - Counties will be updated as more information available

The Big Picture Still Unclear



Additional Websites With Information About ARRA...

- National Conference of State Legislatures
 - <http://www.ncsl.org>
- Congressional Research Service
 - www.crs.gov
- Insure the Uninsured Project
 - www.itup.org
- National Rural Health Association
 - www.ruralhealthweb.org
- Legislative Analyst's Office
 - www.lao.ca.gov
- National Health Service Corps
 - http://nhsc.hrsa.gov/members/loan_repayors/

Thank you

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