

# Securing Economic Stimulus Funding for Your Ecological Project Under the American Recovery and Reinvestment Act (ARRA) of 2009

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## Introduction

By any definition, \$787 billion, the amount appropriated by Congress to be spent through the American Recovery and Reinvestment Act (ARRA) of 2009, is a lot of money. Nearly every agency of the federal government, almost every state, and hundreds of municipalities will receive a portion of these taxpayer dollars. In some cases, this funding infusion will double, triple or provide even greater increases to existing programs. In addition to the large dollar amounts involved, a key aspect of ARRA is its focus on sustainability and the environment.

The purpose of this white paper is to demonstrate how environmental responsibilities can be linked directly to funding opportunities presented by ARRA. In addition, this paper will assist you as you navigate through the myriad of government bureaucracies that will be intimately involved in determining how these funds are allocated and spent.

Over the course of the past three months, JFNew senior staff met with key members of the U.S. Army Corps of Engineers, Environmental Protection Agency, National Park Service, U.S. Fish and Wildlife Service, National Oceanographic and Atmospheric Administration, U.S. Forest Service, Natural Resources and Conservation Service, congresspersons, senators and multiple state regulatory agencies to better understand how ARRA funds will be appropriated to improve the environment. Utilizing the information gleaned from these recent discussions, this paper outlines the components of the ARRA, its impact on key environmental programs and provides advice regarding the pursuit of ARRA funding.

The following should be kept in mind when reviewing this white paper:

- The federal government is a bureaucratic entity with thousands of pages of legislation, regulations and orders guiding its every move. Summarizing billions of dollars of spending into an overview grossly simplifies an extremely complex process.
- ARRA is a dynamic program. Guidance and rules imposed on agencies regarding how ARRA monies are to be spent are continually evolving and being updated. As of this writing, most agencies do not know precisely how the stimulus funding will be allocated.

This paper is a roadmap to help guide you, but additional research will be necessary to secure ARRA funding. It begins with a brief background and overview of the formation of ARRA and then discusses general strategies to use when competing for ARRA funds. The paper concludes with an agency-by-agency synopsis of environmental programs receiving ARRA support. Hyperlinks to agency websites allow you to quickly navigate to the most current information.

## Background

Throughout 2007 and 2008, growing foreclosures, rising unemployment, significant failures in the automotive and financial industries and a developing credit crisis slowed the U.S. economy until it slipped into recession late in 2007. When traditional stimulus mechanisms failed, more substantive efforts were needed to prevent a deeper recession in the U.S. and a global depression.

In addition to ARRA, the following three pieces of legislation were enacted to help stabilize the economy:

- The Recovery Rebates and Economic Stimulus Act (February 2008)—\$145 billion in tax rebates
- American Housing Rescue and Foreclosure Prevention Act (July 2008)—Slow foreclosure and spur spending
- Troubled Asset Relief Program/Emergency Economic Stabilization Act (October 2008)—\$700 billion to unfreeze the credit market

The federal government determined that these three measures were insufficient to bring the U.S. out of its recession and began to craft the “stimulus” package that became ARRA in February 2009. Since ARRA, Congress has passed a supplemental appropriations bill that includes an additional \$410 billion in spending. Congress is currently working on the FY2010 budget and associated appropriations bills in which the President has requested substantial increases in government spending. It is important to note that the current federal expansion is equivalent to that of the 1930s “New Deal” era. While ARRA is one component of this expansion, it is certainly not the only aspect. In general, the advice contained within this document about pursuing ARRA funding applies equally to “traditional” federal funding opportunities.

## Overview of ARRA

A total of \$789 billion in stimulus spending and tax cuts is governed by ARRA through the following general breakout:

- \$463 billion in spending for transportation and infrastructure upgrades, health care programs, education assistance, housing, energy and environmental programs
- \$326 billion in personal and business tax breaks and tax provisions affecting payments to states

ARRA money can be obtained through the following methods:

1. Funds to the state that the state will use itself
2. Funds to the state that the state will distribute to local units of government
3. Funds to communities from the state by existing formulas
4. Funds to states and communities through new or existing discretionary federal grant programs
5. Funds from the federal government via new mechanisms that are in development
6. Funds to federal agencies that will be used for federal projects

The details are always changing, and the most current ARRA information can be found at [www.recovery.gov](http://www.recovery.gov). This site contains links to agency and state stimulus funding sites.

### General ARRA Funding Strategies

Regardless of the manner in which you, your company, community or agency hope to secure ARRA funding for your project, it is important to remember the key purposes of the legislation.

- To preserve and create jobs.
- To assist those most impacted by the recession.
- To provide investments needed to increase economic efficiency by spurring technological advances in science and health.
- To invest in transportation, environmental protection and other infrastructure that will provide long-term economic benefits.
- To stabilize state and local government budgets in order to maximize and avoid reductions in essential services and to avoid counterproductive state and local tax increases.

So whether preparing a grant application funded through ARRA or responding to an RFP supported by ARRA funds, **a critical step toward success will be demonstrating how the application or proposal will help achieve the goals of the Act.**

**Estimate the number of jobs created or retained** by your proposed project. In some cases, the ARRA-funded program will provide a formula for making this estimate. In many cases, however, it is up to the applicant or responder to make the estimate. If the latter is the case, at a minimum you should provide an estimate of the number of labor hours your project entails. If your project can be geared toward hiring unemployed workers, it will certainly receive favorable attention by most programs.

In addition to the key purposes of ARRA discussed above, two overarching themes of the Obama Administration are to develop energy independence and reduce production of greenhouse gases. A project will be more likely to receive funding if it can demonstrate how it will help achieve one or both of these goals. For example, if your project involves significant revegetation through planting trees or converting turf grass to prairie, you should **include an estimate of the carbon sequestered** before and after the project. Any **energy savings your project produces should be estimated** and highlighted in your proposal or RFP response.

### The Importance of Partnering

A common element in most large, successful projects—and certainly applicable to large projects funded through ARRA—is developing effective project coalitions. In general, a project will more likely be funded if it successfully incorporates public-private partners working in collaboration. “Old” ways of doing business should be set aside. For example, if you are a for-profit business pursuing a large scale restoration or development project funded under ARRA, consider bringing state regulatory or programmatic entities on board at the outset. Likewise, incorporating academic institutions or non-profits into your project will increase its chance of being funded. These entities bring value to a project in and of themselves, but their involvement can also reduce the risk of project delays down the road.

## Shovel Ready

Much has been written about the importance of a project being “shovel ready,” or fully designed, permitted and ready-to-go, in order for it to receive ARRA funding. While this is true for some projects, particularly road projects, it does not apply to every ARRA-funded program. The term “shovel ready” has many definitions depending on the agency or program. Projects may be funded that are still in the design stage, particularly if they help meet the objectives of the ARRA.

If your project is not “shovel ready” do not despair. It will stand a greater chance of being funded if you can demonstrate that it has history. For example, has your project been referenced in any community or regional planning documents, like the Marquette Plan? Is it within the boundary of a current watershed management plan or other ecoregional planning document? If so, how does the project support the goals of these established or approved planning documents? Demonstrating these connections will help overcome the “shovel-ready” hurdle.

## Agency by Agency Summary

### U.S. Army Corps of Engineers (USACE)

- \$2 billion for construction
- \$2.075 billion for operations and maintenance
- \$375 million for the Mississippi River and tributaries
- \$25 million for investigations
- \$25 million for the regulatory program

The USACE has identified many potential civil works projects that meet ARRA funding criteria. Selected projects will be geographically distributed across the U.S. and USACE programs to provide the nation with inland and coastal navigation, environmental improvements and restoration, flood risk management, hydropower, recreation and more.

The USACE’s process for allocating funds is still being determined. The primary focus will be on projects that can be implemented rapidly and generate jobs. The Chicago District is currently positioning many environmental and aquatic ecosystem restoration projects. Based on conversations with USACE personnel, JFNew believes programs most likely to see an increase in funding include the Great Lakes Fishery and Ecosystem Restoration Program, as well as military construction projects throughout the country (<http://www.usace.army.mil/recovery/Pages/default.aspx>).

### U.S. Environmental Protection Agency (EPA)

- \$4 billion for the Clean Water State Revolving Fund
- \$2 billion for the Drinking Water SRF
- \$600 million for Superfund
- \$100 million for brownfields

The EPA ARRA Recovery site can be found at <http://www.epa.gov/recovery/>. To a large extent, funding is expected to be allocated using existing formulas, typical to states, under the Clean Water Act. The EPA’s Great Lakes National Program Office may also see a substantive increase in funding to address the Areas of Concern throughout the Great Lakes basin. EPA general environmental resources may be found at <http://www.epa.gov/recovery/resources.html>.

Guidance for Water Quality Management Planning Grants under ARRA can be found at [http://www.epa.gov/water/eparecovery/docs/604bARRA\\_guidance\\_memo\\_FINAL.pdf](http://www.epa.gov/water/eparecovery/docs/604bARRA_guidance_memo_FINAL.pdf).

### **U.S. Fish and Wildlife Service (FWS)**

- A total of \$280 million is allocated to the FWS (<http://www.fws.gov/>) under ARRA.
  - \$165 million for resource management of national wildlife refuges, national fish hatcheries and high priority habitat restoration projects
  - \$50 million will be allocated to habitat projects

For more information on this funding, review the Coastal Program and Great Lakes Fish and Wildlife Restoration Act. Funding will also be used to restore wetlands, riparian habitat, endangered species habitat and other important landscapes. FWS will restore facilities that are key to the management and restoration of wildlife and fisheries.

### **National Park Service (NPS)**

- A total of \$750 million will be used by the NPS (<http://www.nps.gov/>) to preserve and protect national icons and historic landscapes, improve energy efficiency and renewable energy use at park units throughout the nation, remediate abandoned mine sites on park units and provide historic preservation funding to protect and restore buildings at historically black colleges. Funding under the Federal Highway Administration will improve park roads for more than 275 million visitors. The NPS will also repair the seawall adjacent to the Jefferson Memorial in Washington, D.C. to protect the memorial from the effects of settlement.

### **National Oceanic and Atmospheric Administration (NOAA)**

- \$230 million for operations, research and facilities
- \$600 million for procurement, acquisition and construction
- \$150 million for restoration projects via a competitive RFP—fish passage, tidal/hydrological reconnection, shellfish restoration, shoreline restoration and habitat restoration (<http://www.csc.noaa.gov/funding>)
- In the Great Lakes basin, NOAA is focusing its support on the EPA's Areas of Concern.

### **U.S. Geological Survey**

- \$140 million for surveys, investigations and research (<http://www.usgs.gov>)

### **U.S. Department of Agriculture (USDA)-NRCS**

USDA was appropriated \$28 billion (3.5 percent) of the package. However, a substantial portion of this funding is going to nutrition assistance programs.

- Provides \$19.7 billion to increase the monthly amount of nutrition assistance to 31.8 million people
- Enables expanded opportunities for broadband loans and grants to rural communities
- Expands funding opportunities to develop water and waste facilities
- Provides funding to protect and conserve the nation's forests and farm land—\$290 million for watershed and flood prevention activities and \$50 million for watershed rehabilitation

This latter program may be of particular interest to those projects affecting cropped land or land previously used in agricultural production.

### **U.S. Department of Transportation**

- \$743 million to Indiana road projects

A complete list of state-by-state road projects funded under ARRA can be found at <http://testimony.ost.dot.gov/ARRAcerts/>.

### **Summary**

The ARRA stimulus package presents an immediate opportunity for a broad range of stakeholders to secure funding for projects and, more specifically, sustainable development initiatives in 2009.

Keys for successfully gaining access to this funding include:

1. A specific understanding of which agencies and programs have been allocated funding under ARRA
2. A clear understanding of the processes and protocols under which the various agencies will award funding
3. A firm project justification based on job creation, economic value and environmental benefit

For sustainable development projects, working with an environmental specialist can provide a benefit in terms of creating the firm justification described above. These firms have deep experience in understanding and quantifying the environmental and economic benefits of restoration and green infrastructure projects and can be a valued partner in the process of competing for ARRA funding.

The government is likely to continue support for sustainable development long after ARRA funds are spent. The decision criteria being defined and implemented for ARRA may provide an indication of how future projects will be prioritized. Municipalities, NGOs and developers can look to the current ARRA process for guidance on how to plan for and position future sustainability initiatives in ways that increase the likelihood of securing public funding.

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