

STRENGTHENING RURAL FAMILIES

StimuRuFES

RuFES: Meet the Federal Stimulus Package!

RuFES ReFresher Webinar

Thursday, May 14th, 2009

2:00-3:30 EDT



Brought to you by: Aspen Institute Community Strategies Group

With support from: Annie E. Casey Foundation

Our Work is Built on the...

The RuFES Framework



Earn It

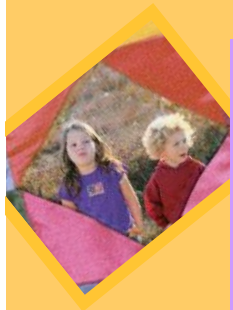
- *Working families earn a living that allows them to survive, thrive and raise their children in their community.*

Keep It

- *Working families have access to and make good choices that safeguard their family income and lower their cost of living, forging stable and predictable financial lives.*

Grow It

- *Working families accumulate and maintain assets that gain value and advance family and community prosperity over time.*



Today's Primary Focus Goals: EKG of the ARRA

Earn It:

Working families earn a living that allows them to survive, thrive and raise their children in their community.



Preparing for First-Time Employment

- E1:** Job seekers have the basic life skills – attitudes, behaviors and reliability – to succeed in jobs in their region.
- E2:** Job seekers have the basic workplace skills – communication, language, math and technology – to succeed in jobs in their region.
- E3:** Job seekers have the education or training diplomas and credentials they need to start on a career ladder in their region.

Landing and Keeping a Job

- E4:** Job seekers connect to pipelines that effectively route them to employment opportunities in their region.

Advancing in Career and Income

- E8:** Workers hold jobs that pay wages and offer benefits that support a stable family life.
- E9:** Workers upgrade their skills and education credentials over time.
- E10:** Workers advance along a career pathway into better jobs in the region.

Today's Primary Focus Goals : EKG of the ARRA



Keep It:

Working families have access to and make good choices that safeguard their family income and lower their cost of living, forging stable and predictable financial lives.

Establishing Financial Health

K1: Families set short-term and long-term financial goals, and attain them.

K2: Families use reasonably priced services, accounts, and products for their savings, checking and other financial transactions.

Protecting Income and Decreasing Costs

K6: Families secure all tax benefits for which they qualify, starting with those that reward work – the Earned Income Tax Credit and the Child Tax Credit.

K8: Families have ready access to affordable basic goods and services – food, clothing, housing, household goods, and health care.

Today's Primary Focus Goals: EKG of the ARRA



Grow It:

Working families accumulate and maintain assets that gain value and advance family and community prosperity over time.

Accumulating Family Assets and Building Wealth

G2: Families find, finance at competitive rates, and purchase quality homes in their communities.

G5: Children of working families get high-quality pre-K-to-12 schooling, and attain higher education levels that improve their family's economic status.

Today's Presenters

John Molinaro

*Associate Director
Aspen Institute Community Strategies Group*



Kim Phinney

*Director of Rural and Tribal Development
YouthBuild USA*

Duane Yoder

*President
Garrett County Community Action (GCCAC), Maryland*



Rachel Tompkins

*President
Rural School and Community Trust*



Rene Bryce Laporte

*Senior Associate
Aspen Institute Community Strategies Group*



Jason Gray

*Consultant
... and Stimulus Package Guru*



Janet Topolsky - Moderator

Director

Aspen Institute Community Strategies Group



On to our first segment...



Navigating the Stimulus

Basic geography of the ARRA
(and a preview of the FY10 budget)

John Molinaro

Associate Director

Aspen Institute Community Strategies Group

Why Consider Federal Resources in the Context of RuFES?

- ▶ Federal programs and tax-credits are the **largest single source of support** for helping low-income families *Earn It, Keep It and Grow It*
- ▶ You have to understand where resources are available to put them to work for families
- ▶ The American Resource and Recovery Act (ARRA) is a huge one-time opportunity
- ▶ **The ARRA flow is a deluge**
 - Without structures to catch it, like a heavy rain on rocky terrain...*it will just run off!*
- ▶ Preparation, leadership and leverage are critical
 - There's a perfect role for RuFES Action Teams!

Intended Outcomes of ARRA

- ▶ Preserve and create jobs and promote economic recovery
- ▶ Assist those most impacted by the recession
- ▶ Provide investments to increase economic efficiency by spurring technological advances
- ▶ Invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits
- ▶ Stabilize state and local government budgets

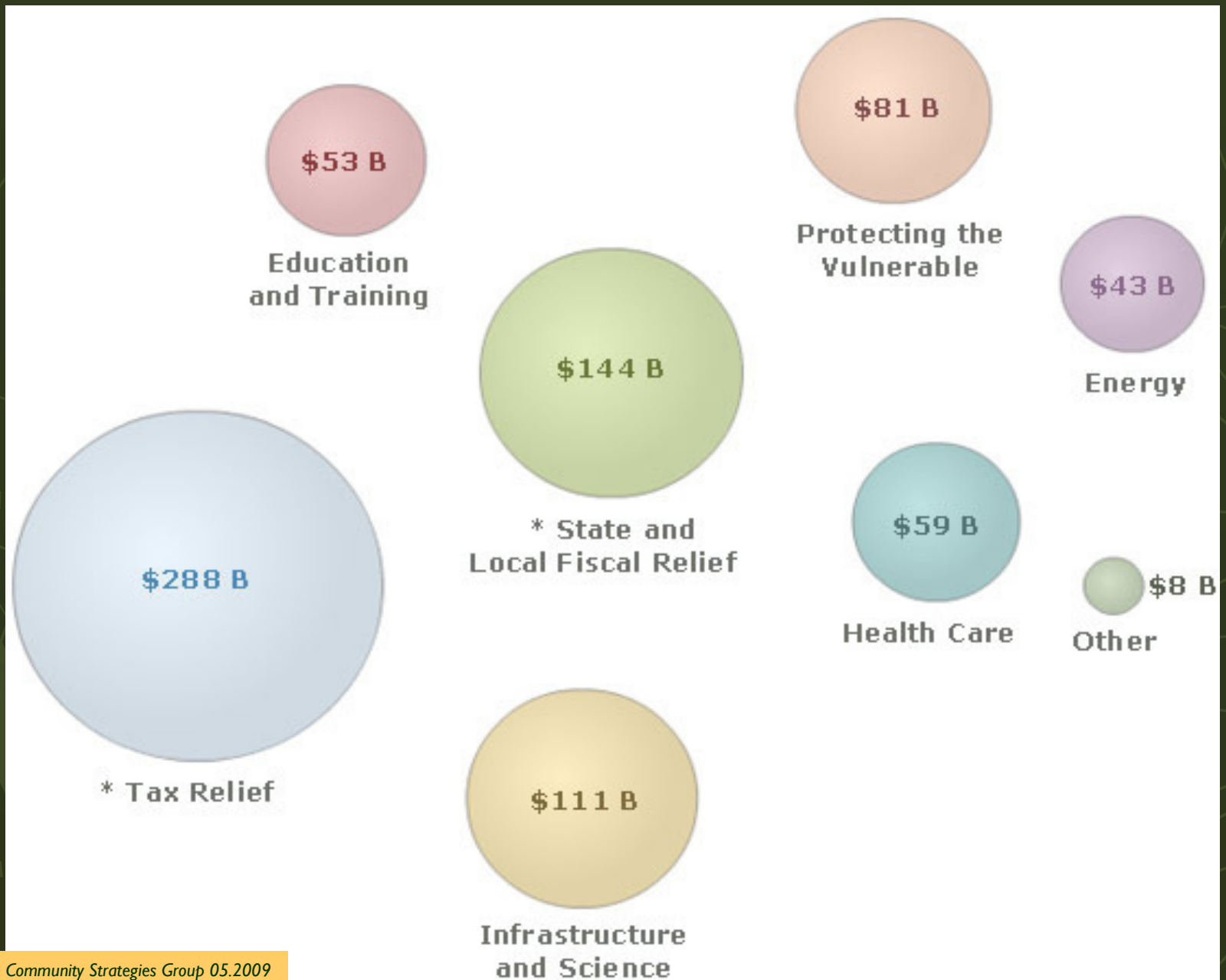
The Flow of Resources

- ▶ Total ARRA package is **\$787 billion**.
 - 65% is expenditures.
 - 35% is tax cuts and credits.
- ▶ The vast majority of the ARRA flow of funds go through existing channels, e.g.:
 - Dept. of Education Title I program
 - Community Service Block grants

The EKG of the ARRA

- ▶ Lots of *Earn It*
 - Jobs and Training
- ▶ A fair amount of *Keep It*
 - Financial Education and Energy Efficiency
- ▶ Some *Grow It*
 - Education
- ▶ And some crosscutting *Quilt It* initiatives too!
 - Tax Credits and Community Service Volunteers

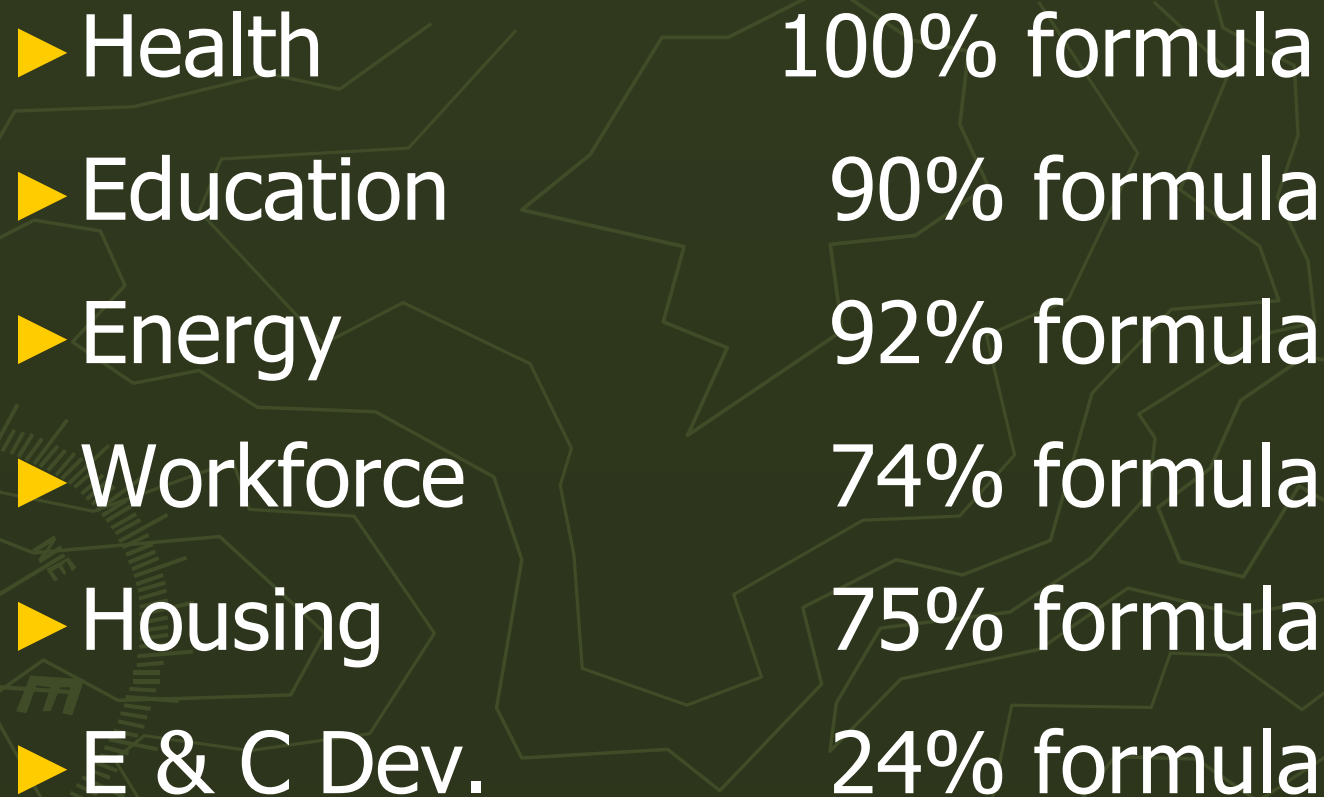
ARRA Allocation by Topic Area



ARRA funds are distributed in **five** ways:

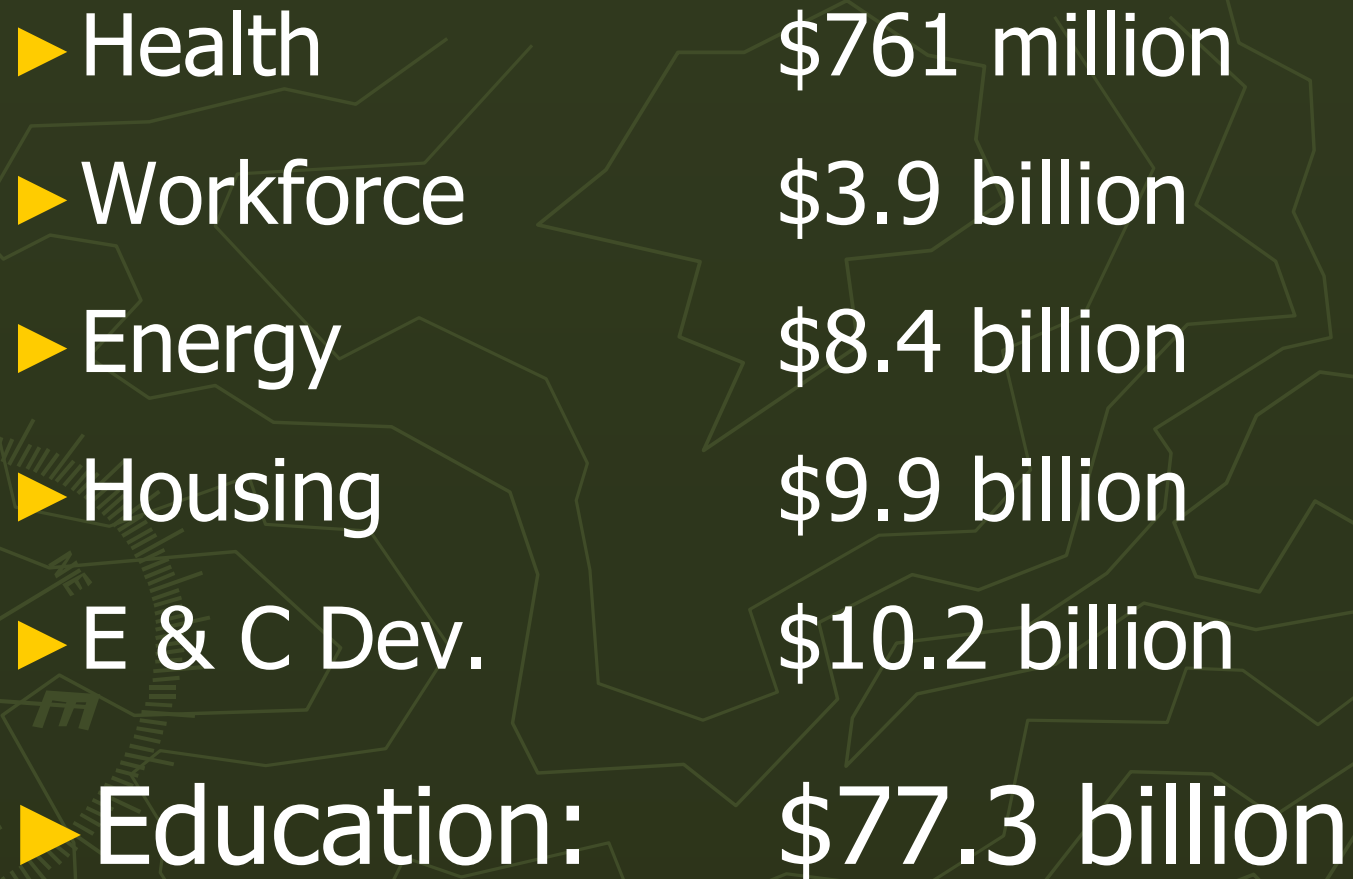
- ▶ Through federal agency **formula** programs to state agencies
- ▶ Through federal agency **formula** programs to localities (through state agencies)
- ▶ Through federal agency **discretionary** (competitive) grant programs
- ▶ Through **tax credits or rebates** to individuals and businesses
- ▶ Through **bonds and loans** to businesses

Comparing Formula/Grant Levels



▶ Health	100% formula
▶ Education	90% formula
▶ Energy	92% formula
▶ Workforce	74% formula
▶ Housing	75% formula
▶ E & C Dev.	24% formula

Not All Sectors Are Created Equal



▶ Health	\$761 million
▶ Workforce	\$3.9 billion
▶ Energy	\$8.4 billion
▶ Housing	\$9.9 billion
▶ E & C Dev.	\$10.2 billion
▶ Education:	\$77.3 billion

A quick peek at things to come:
FY 2010 Budget Deliberations

- ▶ Obama administration **\$3.6 trillion budget** that prioritizes health care, education, and energy
- ▶ Establishes a reserve fund of **\$630 billion for health care reform**
 - Recent Congressional decisions maximize chance that health care reform will happen this year
- ▶ Issue remains of program formulas/regulations that are friendly to rural needs and priorities

The background of the slide is a dark green topographic map with white contour lines. In the lower-left corner, there is a compass rose with a needle pointing towards the top-left. The compass rose has labels for 'N', 'NE', 'SE', and 'S'.

...questions?

The EKG of the ARRA

▶ *Earn It Opportunities / Programs*

**Workforce Development
YouthBuild**

ARRA – Earn It

Workforce Development Funding

John Molinaro

Associate Director

Aspen Institute Community Strategies Group

Workforce Development Funding

What is the stimulus opportunity(s)?

- ▶ **Workforce Development Funding**
 - **First new money in 29 years!**

Workforce Development Funding

How can it be used for RuFES purposes?

- ▶ **Adult Workers**
 - Helps workers with basic skills and job search
- ▶ **Displaced Workers**
 - Up to 2 years of retraining
- ▶ **Workers entering the job market**
 - Train, coach, assist
- ▶ **Youth Workers**
 - Massive summer employment program

Workforce Development Funding

How is it being distributed?

- ▶ **\$3.9 Billion**
- ▶ 74% formula – 85% local / 15% state
 - Some population focused – Adult education, youth, dislocated workers
 - Some outcome focused – brownfields, energy, biotech
- ▶ Local portion through Workforce Investment Boards (WIBs)
- ▶ \$750 Million new competitive grant program
 - \$500 Million designated for energy and healthcare

Workforce Development Funding

What are the qualifications and deadlines?

- ▶ WIBs have wide discretion with formula funds
- ▶ Some WIBs regrant, some run their own programs
- ▶ Youth funds must be used *this* summer
- ▶ Competitive program application details not yet announced

Workforce Development Funding

What are some useful resources?

- ▶ U.S. Department of Labor Information Related to the American Recovery and Reinvestment Act '09
 - <http://www.dol.gov/recovery/>
- ▶ The Workforce Alliance
 - <http://www.workforcealliance.org/>

ARRA – Earn It

YouthBuild Funding

Kim Phinney

Director of Rural and Tribal Development

YouthBuild USA

YouthBuild Funding

What is the stimulus opportunity(s)?

- ▶ **\$50 Million** for YouthBuild through Department of Labor
- ▶ **Additional Potential Opportunities:**
 - \$1.2 Billion WIA Youth Funds
 - \$5 Billion Weatherization Assistance Funds
 - \$510 Million Native American Housing Block Grant

YouthBuild Funding

How can it be used for RuFES purposes?

▶ *YouthBuild*

- Low-income, out of school, young people, ages 16-24, gain education, leadership and workforce skills needed to become economically self-sufficient
- 9-12 month full-time program
- 50% of time is classroom based (H.S. Diploma, GED or post-secondary)
- 50% of time is on the job site building affordable housing (*which links to Keep It and Grow It!*)
- Strong leadership development, career development, community service and counseling components

YouthBuild Funding

How is it being distributed?

- ▶ **YouthBuild:** Competitive federal application through Department of Labor
- ▶ **WIA Youth Funds:** DOL Formula Grants to States
- ▶ **Weatherization Assistance Funds:** DOE Formula Grants to States with preference to existing subgrantees
- ▶ **NAHBG:** HUD Formula Grant to Tribes

YouthBuild Funding

What are the qualifications and deadlines?

- ▶ Commitment to young people
- ▶ Capacity to implement program model, build necessary partnerships, community collaborations
- ▶ Announcement: **June 2009**
- ▶ For other sources, contact state and local Workforce Investment Boards, Community Action Agencies

YouthBuild Funding

What are some useful resources?

- ▶ YouthBuild Starter Kit and Additional Resources
 - www.youthbuild.org
- ▶ *Bringing Home the Green Recovery: A User's Guide to 2009 American Recovery and Reinvestment Act*
by Green for All and Policy Link
- ▶ Questions?
 - Kim Phinney - Email: KPhinney@youthbuild.org
YouthBuild USA Director of Rural and Tribal Development
 - Helen Whitcher - Email: HWhitcher@youthbuild.org
YouthBuild USA Director of New Site Development

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...questions?

The EKG of the ARRA

▶ *Keep It Opportunities / Programs*

Financial Education

Energy Efficiency - Weatherization

ARRA – Keep It

Financial Education Programs

John Molinaro

Financial Education Programs

What is the opportunity?

- ▶ 2009-2010 grant round for Excellence in Economic Education (EEE) Act
- ▶ Grants for financial education programs/ curriculum and research – for K-12 students
- ▶ Not really ARRA – but current and urgent!

Financial Education Programs

How can it be used for RuFES purposes?

- ▶ School-based financial education programs
 - Teacher Training Programs
 - School-based Student Activities
 - Replication of Best Practices
 - Distribution of Curriculum and Teaching Materials

- ▶ Education research with K-12 students
 - Evaluations of Impact of Economic and Financial Literacy Education Research
 - Economic and Financial Literacy Research

Financial Education Programs

How is it being distributed?

- ▶ Grants distributed through Council for Economic Education
- ▶ Grant size is dependent on category
 - Best practices: \$5,000-\$10,000
 - Student activities: \$5,000-\$10,000
 - Teacher training: \$10,000-\$25,000
 - Providing resources: \$5,000-\$10,000
 - Research: \$20,000-\$25,000
 - Student evaluations: \$20,000-\$25,000
- ▶ About \$1.1 million available overall

Financial Education Programs

What are the qualifications and deadlines?

- ▶ Must be a public school involved as a partner or applicant for non-research grants
- ▶ Other organizations may apply as well
- ▶ Generally must apply online
- ▶ **June 2 deadline** for non-research grants
- ▶ **September 15** for research grants
- ▶ 5% admin and indirect cost cap

Financial Education Programs

What are some useful resources?

- ▶ For more information on the *Excellence in Economic Education Program*, RFPs and applying online, visit:

<http://www.councilforeconed.org/eee/>

ARRA – Keep It

**Energy Efficiency –
Weatherization Programs**

Duane Yoder

President

Garrett County Community Action (GCCAC)

Energy Efficiency - Weatherization Programs

What is the stimulus opportunity(s)?

- ▶ Low Income Weatherization Assistance Program
- ▶ National production going from 150,000 homes in 2009 to **1 million in 2011.**
- ▶ National funding level:
 - ▶ 4.5 billion in 2009
 - ▶ 9 billion in 2010
 - ▶ 10.5 billion in 2011
- ▶ Program and appropriations authorized by:
 - ▶ Energy Conservation and Production Act
 - ▶ Energy Policy Act (2005)
 - ▶ Energy Independence and Security Act (2007)
 - ▶ American Recovery Act

Energy Efficiency - Weatherization Programs

How can it be used for RuFES purposes?

- ▶ *Keep It* – Home energy savings average \$400 to \$500 each year with many variables.

Also:

- ▶ *Earn It* – Jobs will be created. Nationally expected to go from 11,000 to 30,000 full-time.
- ▶ *Grow It* – Related business start ups and expansions creating assets.

Energy Efficiency - Weatherization Programs

How is it being distributed?

- ▶ Funds are distributed to states *via* a formula
- ▶ States establish procedures for allocating funds to local organizations
 - Currently 900 local providers
 - 700 are Community Action Agencies (CAAs)
 - 200 are other non-profits.

Energy Efficiency - Weatherization Programs

What are the qualifications and deadlines?

- ▶ Intake/Outreach
- ▶ Energy Auditing of Candidate Homes
- ▶ Quality Control Inspections
- ▶ Production or Application
- ▶ Training of Staff/Contractors
- ▶ Management

Energy Efficiency - Weatherization Programs

What are some useful resources?

▶ **Contact your
State Housing Agency!**

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...questions?

The EKG of the ARRA

▶ *Grow It Opportunities / Programs*

K-12 Education

ARRA – Grow It

Education Programs

Rachel Tompkins

President

Rural School and Community Trust

Education Programs

What is the stimulus opportunity(s)?

- ▶ Title I Elementary and Secondary Education Act (ESEA)
- ▶ State Stabilization Fund
 - Portion distributed to schools and colleges
 - Race to the Top
 - Innovation Fund

Education Programs

How can it be used for RuFES purposes?

- ▶ High School Reform
 - Dropout prevention
 - Turn around low performing schools
- ▶ Out of School Learning
 - Afterschool, weekend, summertime learning
- ▶ Expanded early childhood programs
- ▶ High School college connections

Education Programs

How is it being distributed?

▶ State Stabilization

- Portion to schools and colleges decided by governor and legislature – can be used to replace state shortfalls
- Race to the Top and Innovation Fund will be competitive – RFPs out in the next few weeks

▶ Title I ESEA

- Distributed by formula to districts
- Cannot supplant state and local dollars; must be spent on new projects
- Formula biased against rural districts – numbers matter more than concentration of poverty

Education Programs

What are the qualifications and deadlines?

▶ **State Stabilization**

- State distribution and uses will be determined by governor and legislature
- Requires sharp elbows at the state level

▶ **Race to the Top and Innovation**

- Competitive grants process
- Require partnerships among colleges, districts, other intermediaries

▶ **Title I ESEA**

- Districts will receive funds by formula and make plans to spend
- Superintendents and school boards are the place to influence these expenditures

Education Programs

What are some useful resources?

- ▶ Department of Education - www.ed.gov
 - *Detailed and frequently updated information*
- ▶ Learning Point Associates - www.learningpt.org/recovery
 - *Good summary information updated frequently*
- ▶ National Association for the Education of Young Children - www.naeyc.org
 - *For early childhood updates*
- ▶ The Rural School and Community Trust - www.ruraledu.org
 - *For information on Title I Fairness Campaign*

The EKG of the ARRA

▶ *Earn It, Keep It, Grow It*
Opportunities / Programs:

**Serve America Act
Tax Credits**

ARRA – Earn It, Keep It, Grow It

Serve America Act

René Bryce-Laporte

Senior Associate

Aspen Institute Community Strategies Group

Serve America Act

What is the stimulus opportunity(s)?

▶ *Community Service*

- *Newly Signed Serve America Act!*
- Reauthorizes AmeriCorps programs established in 1993
- All under the umbrella of the Corporation for National and Community Service (CNS)
- Expands opportunities for volunteerism across age groups
- Authorizes increase in the number of Americorps volunteers from 75,000 to 250,000 by 2017

SAA: Youth Volunteer Funding Streams

▶ Semester of Service

- Gives semester of credit for high schoolers who wish to spend a semester in service-learning

▶ Summer of Service

- \$500 for 6th through 12th grader who want to volunteer

▶ Action Act

- Increases education award given to volunteers in exchange for their work - then indexes awards to Pell Grant increases

SAA: Older Americans

► *The Encore Service Act*

- Takes advantage of skills and experience of older Americans
- Provides stipends and educational scholarships to citizens 55 years of age and older who volunteer their time to help communities in need.

Social Innovation

▶ Social Innovation Fund

- Expands proven initiatives
- Provides seed funding for experimental initiatives
- Leverages Federal dollars to identify and grow ideas that address our most difficult community problems

▶ Volunteer Generation Fund

- Awards grants to states and nonprofits to recruit, manage, and support volunteers and strengthen the nation's volunteer infrastructure

▶ Nonprofit Capacity Building Grants

- Provide organizational development assistance to small and mid-size nonprofit organizations

Serve America Act

How can it be used for RuFES purposes?

- ▶ Senior volunteer programs
 - A largely untapped wealth of experience
- ▶ VISTA/Americorps
 - The lifeblood of some programs
- ▶ These are the most flexible resources here
 - Useful for just about any priority issue
- ▶ Volunteers are a cash equivalent
 - Programs need staff – staff cost money

Serve America Act

How is it being distributed?

- ▶ Bill authorized these new & expanded programs
- ▶ Appropriations expected this fall
- ▶ Organizations will be able to apply for funds directly through the Corporation for National and Community Service

Serve America Act

What are the qualifications and deadlines?

- ▶ The legislation was just passed.
- ▶ Stayed tuned for application deadlines. They will be found at www.nationalservice.gov
Click on “for organizations.”

Serve America Act

What are some useful resources?

- ▶ Senator Chris Dodd's website — www.dodd.senate.gov
- ▶ www.americaforward.org
- ▶ www.nationalservice.gov

ARRA – Earn It, Keep It, Grow It

Jason Gray

Consultant

... and Stimulus Package Guru!

Tax Credits for All!

ARRA Tax Credit Programs That Help Working Families *Earn It, Keep It, and Grow It*

- ▶ The federal stimulus package offers many tax credit opportunities for low-income working families.
- ▶ Each tax credit helps improve social justice outcomes in two ways:
 - Puts more money in the pockets of low-income families – helping them make ends meet and get ahead.
 - Boosts the sales receipts of local businesses, and sales tax revenue (where collected) that helps maintain community services.

ARRA Tax Credit Programs

Making Work Pay Tax Credit

- ▶ Refundable tax credit in 2009 and 2010
 - Up to \$400 for working individuals
 - Up to \$800 for married taxpayers filing joint returns
- ▶ For people receiving a paycheck who are subject to withholding, the credit will typically be handled by employers.
- ▶ Taxpayers who do not have taxes withheld by an employer may also claim the credit.

ARRA Tax Credit Programs

Earned Income Tax Credit (EITC)

- ▶ A temporary increase in EITC for taxpayers with three or more qualifying children.
- ▶ Maximum annual EITC for new category is \$5,657.
- ▶ These changes apply for the **2009 and 2010 tax returns**.
- ▶ ***Refundable*** credit.
- ▶ Taxpayers can file amended returns, claiming credits for up to three years prior if they qualified and neglected to claim it in those years.

ARRA Tax Credit Programs

Additional Child Tax Credit

- ▶ “Additional” – in that more families qualify, or families qualify for a larger credit
- ▶ In fact, 500,000 more rural families nationwide (900,000 children) are eligible for expanded child tax credit
- ▶ This is a *refundable* credit.
- ▶ Taxpayers may receive refunds even when they do not owe any tax – *but only if they file.*

ARRA Tax Credit Programs For Laid-Off Workers

- ▶ **Trade Adjustment Assistance Health Coverage Improvement Act:**
 - Tax credit for insurance premiums for participants in the Trade Adjustment Assistance program.
 - This program assists workers who lost jobs due to plants/businesses relocating out of the country.
- ▶ **Tax Exemption for Unemployment Benefits in '09:**
 - The first \$2,400 of unemployment benefits received in 2009 is tax free.
 - This applies only for 2009.
- ▶ **COBRA Health Insurance Continuation Subsidy:**
 - Employer-provided subsidy for employees who involuntarily lose their jobs.
 - The subsidy: **65% of COBRA continuation premiums** for themselves and their families for up to 9 months.

ARRA Tax Credit Programs

Cars and Housing!

▶ Sales Tax Deduction for Vehicle Purchases

- For purchases after February 17th, 2009
- Sales tax credit is available to the tax **up to \$49,500** of the purchase price of an eligible motor vehicle.

▶ Energy Incentives for Individuals and Businesses

- Tax credits cover cost of installing energy efficient windows, doors and heating/cooling equipment.
- Credit maximum is \$1,500 – a **\$1,000 increase** over the current provision.

▶ First Time Homebuyer Tax Credit

- Tax credit for homes purchased in 2008 or 2009
 - ▶ For 2008 purchases, it is valued **up to \$7,500**
 - ▶ For 2009 purchases, it increases **to \$8,000**

ARRA Tax Credit Programs That Help Working Families *Earn It, Keep It, and Grow It*

- ▶ The credits come out of federal dollars
 - If they are not claimed, the money is left on the table, and local families and communities lose out.
- ▶ Easy, quick, and sometimes dramatic win for community organizations helping people learn about, file and claim these credits by:
 - Supporting or providing publicity
 - Free tax filing assistance through VITA sites
 - Other innovative rural outreach

ARRA Tax Credit Programs Resources

- ▶ **The IRS page** that has detailed information on each of the following credits can be found at:
<http://www.irs.gov/newsroom/article/0,,id=204335,00.html>
- ▶ **Recent Carsey Institute Policy Briefs**
 - “Forty-three percent of Eligible Rural Families Can Claim a Larger Credit with EITC Expansion”
<http://carseyinstitute.unh.edu/publications/PB-EITC-09.pdf>
 - “Seventy-eight Percent of Working Rural Families to Receive Full Making Work Pay Tax Credit”
<http://carseyinstitute.unh.edu/publications/FS-MWP-09.pdf>
 - “Child Tax Credit Expansion Increases Number of Families Eligible for a Refund” <http://carseyinstitute.unh.edu/publications/IB-CTC09.pdf>

STRENGTHENING RURAL FAMILIES

Questions?



STRENGTHENING RURAL FAMILIES

Contact Information

Presenters:

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- **Rachel Tompkins**, *President*, Rural School & Community Trust, rachel.tompkins@ruraledu.org
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STRENGTHENING RURAL FAMILIES

For more information about this presentation or other RuFES webinars/publications, contact CSG staff at: csq@aspeninst.org

