

# National Assembly of State Arts Agencies

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## **American Recovery and Reinvestment Act: Arts Opportunities in the Economic Stimulus Package**

*March 2009*

The American Recovery and Reinvestment Act, signed into law by President Obama on February 17, 2009, includes a number of expanded funding opportunities, outlined below, that could be available to assist artists and arts organizations. By late March, most federal agencies should have completed the development of their procedures for allocating the economic stimulus funding. Many of the decisions regarding distribution of the funds will be made at the state and local government levels.

**National Endowment for the Arts:** [\\$50 million in grants](#) to fund projects and activities that preserve jobs in the nonprofit arts sector threatened by declines in philanthropic and other support during the current economic downturn, with 40% of the funds distributed to state arts agencies and regional arts organizations using current agency practice, and 60% of funds for competitive grants. Matching requirements are waived in both grant categories. [Click here for updated information on eligibility requirements.](#)

**Community Development Block Grants (CDBG):** \$1 billion for communities to support “bricks and mortar” funding for a variety of state and municipal projects, an important source of government support for local arts organizations. Funds are administered through the [U.S. Department of Housing & Urban Development](#) to mayors’ community development offices. Cities with populations of fewer than 50,000 receive CDBG funds through their state.

**Transportation Enhancements (TE program):** \$825 million in funding for the [Transportation Enhancements program](#) (3% set aside in each state’s \$27.5 billion share to support surface transportation projects) administered by state transportation departments. At least half the funds must be obligated by states within 120 days and the remainder within one year, or the U.S. Secretary of Transportation can recall unobligated funds. States are to place different priorities on 12 general TE activities, such as pedestrian and bicycle facilities, scenic easements, landscaping, historic preservation.

**Rural Development:** \$130 million through the U.S. Department of Agriculture’s [Rural Community Facilities program](#), with funds for the construction, rehabilitation or acquisition of “essential facilities,” which may include cultural facilities. About 9% of Community Facilities funding in the past has been directed to educational and cultural facilities.

**Elementary and Secondary Education:** \$13 billion for [Title I elementary and secondary education funds](#) to local school districts. This program provides financial assistance through state education agencies to local education agencies (LEAs) and public schools with high numbers or percentages of poor children to help ensure that all children meet state academic achievement standards. In addition, the economic stimulus bill appropriates \$53.6 billion to a State Fiscal Stabilization Fund to be administered by the U.S. Department of Education for

restoring shortfalls in state education funding, including for the use of LEAs. Federal funds may be used to support arts education, which qualifies as a core academic subject.

**Economic Development Assistance:** \$150 million to the Department of Commerce for the Economic Development Administration's [Economic Development Assistance Program](#). A portion of these funds are designated for priority consideration by the Secretary of Commerce to "areas of the Nation that have experienced sudden and severe economic dislocation and job loss due to corporate restructuring." The program, which could address planning and implementation of cultural districts, for example, is designed to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically troubled areas.

**Corporation for National and Community Service:** \$160 million for expanded support for state commissions and national grantees of [AmeriCorps and VISTA volunteers](#), placing additional volunteers in positions with community-based organizations.

**National Park Service:** \$589 million for construction, repair and restoration of facilities, and the preservation of buildings and resources of [cultural and historic importance](#) within the National Park System, which might also include grant support for such programs as Tribal Heritage preservation, Save America's Treasures, and Preserve America Communities (including heritage tourism); and \$15 million for preservation work on historic campus buildings at [Historically Black Colleges and Universities](#).

**Job Training and Employment Services:** \$3.95 billion to the U.S. Department of Labor's [Employment and Training Administration](#) for job training through formula grants to states for adult, dislocated worker, and youth services (including \$1.2 billion for youth activities and summer employment for youth up to age 25, and \$50 million for the YouthBuild program), and \$120 million for [Community Service Employment for Older Americans](#). Job training and employment services could be made available to include workers in the creative sector and through arts institutions able to provide professional development training.

**Unemployment Benefits:** The American Recovery and Reinvestment Act increases unemployment weekly benefits by an additional \$25 through 2009, provides up to 33 weeks of extended unemployment benefits to workers exhausting their regular benefits, and encourages states to increase unemployment compensation coverage among low-wage, part-time and jobless workers. The bill also temporarily suspends federal income tax on the first \$2,400 of unemployment benefits per recipient.

**Health Coverage for Unemployed Workers:** To help workers maintain health coverage, the stimulus bill provides \$87 billion in additional federal Medicaid funds and a 65% subsidy for Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation premiums for up to nine months for workers (and for their families) who have been involuntarily terminated between September 1, 2008 and December 31, 2009.