

American Recovery and Reinvestment Act (ARRA) Funds: Making a Difference

The American Recovery and Reinvestment Act (ARRA) funds were, and continue to be, vital to many people struggling during this economic downturn. ARRA funds are a safety net to many people facing homelessness, job loss, loss of health benefits, debt, and other issues. ARRA funding has made a big difference for many households throughout the nation, in Wisconsin, and here, in the Coulee Region.

What is ARRA?

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA) and President Obama signed it into law. This is often referred to as the 'Stimulus'. A direct response to the economic crisis, the ARRA has three immediate goals:

- Create new jobs and save existing ones.
- Spur economic activity and invest in long-term growth.
- Foster unprecedented levels of accountability and transparency in government spending.

ARRA funded recipients are entities that have applied for and won ARRA contracts. The vast majority fall into one of four categories: state and local governments; non-profit organizations; universities and other research institutions; and private companies.

There has been some confusion by the public between ARRA and the TARP. TARP (Troubled Asset Relief Program) is a government program that purchases assets and equity from financial institutions. It is the largest of the government's responses to the subprime mortgage crisis. The TARP was instituted in 2008. The TARP is not part of the ARRA.

How has ARRA Made a Difference?

Nationally, ARRA funded recipients reported that 682,226 jobs were created or retained from January 1-March 31, 2010 through ARRA funds. To date, approximately half of the ARRA funds have been paid out:

- \$162.7 billion through tax cuts and benefits.
- \$128 billion through federal funds for education and health care, as well as for entitlement programs.
- \$105 billion through federal contracts, grants, and loans.

In Wisconsin, ARRA funded recipients reported that 10,421 jobs were created or retained from January 1-March 31, 2010 through ARRA funds. Wisconsin's community action agencies (CAAs), whose purpose is to help low-income households become economically self-sufficient and, in the process, help local communities grow and nurture their economic health, are fully committed to making ARRA work. CAAs are the state's largest non-governmental recipient of stimulus funding. From July 1, 2009-March 31, 2010, Wisconsin CAAs and UMOs (United Migrant Opportunity Services) created 431 jobs and retained another 255 jobs with ARRA funding. Many of these jobs are employment specialists, housing counselors, community service advocates, and weatherization auditors and installers that provided important needed services to more than 129,000 low-income people and victims of this economic recession.

Wisconsin has \$141.5 million in ARRA funds to weatherize 20,678 units. From July 1, 2009-March 31, 2010, 7,581 homes were weatherized in Wisconsin. CAAs have established 105 sub-contracts with local contractors, businesses, vendors, and partners performing weatherization work with ARRA funds in Wisconsin. Also on a statewide basis, 6,000 people from over 2,300 households have received assistance with homelessness through ARRA funding. About 75% of these households were assisted with homelessness prevention. Wisconsin plans to spend out 70% of ARRA funds by September 1, 2010. CAAs and other operators are working hard to assure the overall state goals are met.

Couleecap, the community action agency serving Crawford, La Crosse, Monroe, and Vernon counties in Wisconsin, has been fighting the conditions of poverty for more than 44 years. Staff at Couleecap began to see the effects of our faltering economy in the fall of 2008. The demand for all of our services dramatically increased. We saw a doubling of need in our food pantries. We also noted that the primary cause of foreclosure shifted from predatory mortgage loans to job losses in the family. We began to see a new group of people needing our services, people who never thought they would have to seek help from Couleecap. Often it is the need to feed their children that causes a family to finally seek help. Job losses hurt many families in the region. Within a few months we heard the same comments on the national news. Our experience matched the national situation.

In order to help these families, we were delighted to be designated by Congress and the President to receive ARRA funding. By August 2009 we started to receive ARRA funding. Couleecap's ARRA funds made their way to those in need quickly and efficiently, and provided relief to people throughout the Coulee Region. To date, Couleecap has been able to assist 3,500 local people through ARRA funding with a variety of services such as shelter; emergency food/food pantry assistance; security deposits, rent, utilities or moving assistance; general assistance with basic critical living expenses; health care emergencies and expenses; youth employment and training (2009 Summer Youth program); housing counseling; foreclosure intervention; critical home repairs; and home weatherization. From July 1, 2009 to September 1, 2010, Couleecap will weatherize 1,012 housing units, with 714 of them funded by ARRA. Through ARRA funding, Couleecap has also created 19 jobs with benefits and retained another 23 jobs.

"These high-impact activities will keep pumping resources into the economies of the Coulee Region through the summer and into the next two years," said Couleecap's Executive Director, Grace Jones. "Our communities can expect our initiatives to continue to provide help to those struggling in today's economy."

To date, Couleecap has been allocated \$6 million in ARRA funds and close to another million in Housing and Economic Recovery Act funds. We will receive an additional \$1-3 million in ARRA funding over the next twelve months. This is a lot of money, and we want the public to know that this money is being used well.

Without the support provided by ARRA, Couleecap would have had to turn away people needing assistance. We are pleased to have done what we could to ease suffering locally through ARRA funds. We are continuing the proud tradition of Community Action Agencies and their ability to mobilize and respond quickly to the needs of the most vulnerable members of our communities. For more information about ARRA, please visit www.recovery.gov. For more information about Couleecap and our ARRA funded programs, please visit www.couleecap.org and click on the Road to Recovery report under News and Information.

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