From: Cusack, Kate
To: FederalAffairsUpdate
Subject: RESOURCES: federal recovery package
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Hello,

I know that many of you are keenly interested in the American Recovery and Reinvestment Act of 2009 (ARRA, i.e. the stimulus/recovery package that has been signed into law). The packaged included funding for state stabilization, university research, university research infrastructure, etc. I am working with OSU's research office to provide the university community information on potential opportunities as soon as we can. If you have specific questions, please contact me directly.

For now, here is what I have. This information has been gathered from a number of sources, including NASULGC and official agency releases. I hope this is helpful.

General Information on ARRA

The White House has established the website: http://www.recovery.gov/ This site is intended to keep an overall tab on the effects of the law and serve as a site for links to documents and announcements of interest. Please feel free to check out the site.

In terms of how the agencies will release the ARRA dollars, each agency is putting out their own info, however, the Office of Management and Budget recently released detailed guidance to agencies for carrying out programs and activities enacted in the recovery plan (see link: http://www.whitehouse.gov/omb/recovery_default/)

Below is additional intel I've picked up on federal agencies thus far. -Kate

Department of Education Releases Information on ARRA

The U.S. Department of Education recently announced the creation of a website to help individuals and institutions better understand the provisions of the American Recovery and Reinvestment Act (ARRA, the stimulus/recovery bill signed into law earlier this week). The website (http://www.ed.gov/policy/gen/leg/recovery/) includes some information that will be of interest to NASULGC institutions, including some preliminary estimates of state allocations of the stabilization funds. The web page will continue to be updated as further details are determined.

National Institutes of Health Shares Basic Plan for Awarding ARRA Funds

Acting Director of the National Institutes of Health (NIH) Dr. Raynard Kington has been meeting with and speaking to interested groups about the agency's plans for awarding the $10.4 billion for

NIH included in the ARRA. At a town hall style meeting on Wednesday at the American Association for the Advancement of Science auditorium, Kington indicated that while the agency has two years to spend the $10.4 billion, it plans to spend as much as feasible and practical in FY09. He emphasized that these ARRA funds are two-year funds and not funds that can be assumed will be added to NIH's base budget.

Kington broadly outlined how the funds would be allocated, according to the provisions in the ARRA:
$1 billion for extramural construction, renovations, improvements
$300 million for shared instrumentation and equipment
$500 million for NIH intramural buildings and facilities
$400 million (transferred from the Agency for Health Quality and Research) for comparative effectiveness research
$8.2 billion for biomedical research, with $7.4 billion distributed to the Institutes and Centers (ICs) and the Common Fund according to their current proportions; and $800 million to the Office of the Director (OD) to distribute according to opportunity and need (The ARRA conference report outlines the OD funds are "for purposes that can be completed within two years; priority shall be placed on short-term grants that focus on specific scientific challenges, new research that expands the scope of ongoing projects, and research on public and international health priorities.").

Kington further described how the research funds would be awarded, describing three main "buckets" of funding, all of which will rely on the existing peer review mechanism:

1) RO1 research project grants (http://grants.nih.gov/grants/funding/r01.htm): Meritorious research grants will be the main recipients of the research funds. Kington recalled that in FY08, there were about 14,000 meritorious grant applications that could not be funded. These will be reviewed for possibilities of two-year awards. There is a possibility that some new proposal will be considered, but it is likely that the bulk of RO1s funded from ARRA money will go to proposals that have already been reviewed.
2) Supplements to existing grants: Some current grants will receive supplemental funds, including some supplements that may be made according to themes, such as equipment and training. The supplements will be awarded following existing procedures for supplemental grants.
3) Challenge Grants: The NIH will issue a new request for applications (likely in the next week or two) to make grants for meritorious, innovative work which will advance science in a meaningful way and can be accomplished in two years. The Challenge Grants will seek to serve priorities of the ICs and cross-cutting research. Funding for each grant is estimated at $500,000 per year for two years.

Kington did not specify how the $8.2 billion for research would be distributed across the three buckets. He emphasized scientific merit, scientific opportunity and compelling public health advances as strong indicators of how decisions will be made. He mentioned that geographic distribution could be a factor for consideration, and added that is currently the case with NIH grants. Given the purpose of the ARRA is to create and save jobs and stimulate the economy, those considerations will permeate the funding process and the NIH as well as recipient investigators and institutions will need to record and report the economic impacts of these grants

more than ever before.

Department of Education Medial Releases on ARRA

News Media Contact(s):
(202) 586-4940 **For Immediate Release**
February 19, 2009 **DOE Secretary Chu Announces Changes to Expedite Economic Recovery Funding** *Restructuring will lead to new investments in energy projects within months* **WASHINGTON D.C.** --- Two days after President Obama signed the historic American Recovery and Reinvestment Act into law, Energy Secretary Steven Chu announced a sweeping reorganization of the Department of Energy's dispersal of direct loans, loan guarantees and funding contained in the new recovery legislation. The goal of the restructuring is to expedite disbursement of money to begin investments in a new energy economy that will put Americans back to work and create millions of new jobs.
"These changes will bring a new urgency to investments that will put Americans back to work, reduce our dangerous dependence on foreign oil, and improve the environment." Secretary Chu said. "We need to start this work in a matter of months, not years – while insisting on the highest standard of accountability."
By cutting paperwork, processing applications on a rolling basis and drawing on lessons from the private sector and other agencies, the Department of Energy will be in a position to:

- Begin offering loan guarantees under the Department's previous loan guarantee program by late April or early May. These offers may still require recipients to secure their own share of the financing – similar to earnest money in a home mortgage – or meet other conditions prior to closing, but DOE will have completed its review.
- Begin offering loan guarantees under the new Recovery legislation by early summer. Again, these offers may still require recipients to secure their own share of the financing or meet other conditions prior to closing.
- Disperse 70 percent of the investment from the American Recovery and Reinvestment plan by the end of next year.

Since being sworn in, Secretary Chu has been personally reviewing the Department's process for issuing direct loans, loan guarantees and other funding to make it faster, simpler and more accountable.
Secretary Chu's reforms to the programs include:

- Rolling appraisals of applications – instead of delaying the consideration of an application until a far off deadline, the Department will review them when they are submitted so that decisions can be made more quickly.

Streamlining and simplifying loan application forms and other paperwork.
- Accelerated loan underwriting by using outside partners.
- In cases where up-front fees may deter companies from applying, the Department will offer applicants the opportunity to pay the fees as part of the loan at closing.
- Further reduction of upfront costs by restructuring credit subsidies so they are paid over the life of the loan.
- Additional staff and resources to process applications.
- Working with the industry to attract good projects into the loan guarantee program and helping them navigate the process.
- A website that will provide increased transparency in both process and results, as well as information to help applicants through the process.

Secretary Chu announced that he is naming Matt Rogers as Senior Advisor to implement these reforms and the investments in the President's American Recovery and Reinvestment Act. Rogers, formerly a senior partner of McKinsey and Company, has more than 20 years of experience in working with the energy industry and has done extensive work on the economics of addressing the global climate crisis. He served the Obama Presidential Transition Team in a special effort to develop opportunities to reduce the cost and increase the use of renewable energy in federal energy procurement.

The changes announced today by Secretary Chu will affect the Loan Guarantee Program established by the Energy Policy Act of 2005, the Advanced Technology Vehicles Manufacturing Loan Program and DOE funding contained within the President's American Recovery and Reinvestment Act.

Most of these changes are within the authority of the Secretary of Energy to make in consultation with the Director of the Office of Management and Budget. A few will require statutory changes, and the department will move quickly to work with the House and Senate to make the necessary adjustments.

Based on detailed analysis of the programs, Secretary Chu is confident the changes will not introduce additional risk to the loan process.

U.S. Department of Energy, Office of Public Affairs, Washington, D.C.

National Science Founation on ARRA

The National Science Foundation is expected to release details of its plan shortly, after this week's meeting of the National Science Board (February 23-24).

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