

NATIONAL ASSOCIATION OF COMMUNITY HEALTH CENTERS
Stimulus Package
INFRASTRUCTURE

Economic Stimulus Statement: On February 17, President Obama signed into law a massive economic stimulus measure entitled the **American Recovery and Reinvestment Act**, or “ARRA” for short. The new law, which contains more than \$787 billion in spending and tax cuts, contains several major initiatives related to Health Centers, totaling well over \$2 billion.

Core Element: \$1.5 billion for Community Health Center infrastructure needs

How will these funds be distributed?

Funding is likely to be released in three waves as follows:

1. Formula allocation for all FQHCs (HRSA guidance likely by late April, funds available as early as June/July)
2. Competition (HRSA guidance likely this Summer, funds available by late Fall)
3. Competition for HIT Funding for Health Center Controlled Networks

What can the funds be used for? Construction, renovation, equipment, and acquisition of HIT, or any combination thereof. Details of the size and types of projects that will be eligible for funding will be up to HRSA to determine.

What is the time frame for accessing the resources? The timeline for the allocation and spending of the funds is still under discussion; however, NACHC is examining the legislation to determine if overall deadlines for stimulus payments will apply to these funds. HRSA must develop a plan for spending the funds within 90 days of the signing (mid-May 2009) and it must report progress back to Congress every six months thereafter. Although the overall timing is not certain, the competitive round will likely favor projects which can be completed as soon as possible.

What will Health Centers have to do to receive funding?

Formula-Based Round

All FQHCs will be eligible to receive funding via the formula-based round. To access the funds, health centers will need to complete an application that includes the following information:

- Brief project description
- Summary of financial impact and sustainability plan
- Number of new patients/visits project will enable CHC to serve
- Number of new or retained Health Center jobs and construction jobs associated with the project
- Detailed project budget showing all costs and all funding streams
- Timeline and project staffing plan
- Environmental Information Checklist/ Historical Preservation Review

Competitive Round

A competitive round of funding is expected to occur this summer. Although the details surrounding this competition are not yet clear, it is likely projects will be scored based on:

1. How ready the project is to begin.
2. How many jobs will be created as a result of the project.
3. How much additional funding health centers can provide for their project.

ADDITIONAL GUIDELINES

- All ARRA funds are required to comply with Davis-Bacon prevailing wage laws. If any portion of your project receives ARRA funds, the entire project must provide the prevailing wage. For more information, visit <http://www.gpo.gov/davisbacon/>
- All ARRA funds are required to comply with Americans with Disabilities Act (ADA) access guidelines. For more information, visit <http://www.access-board.gov/recovery/>
- All ARRA funds are required to comply with the National Environmental Policy Act (NEPA). Typically, most federally funded projects are required to complete a NEPA compliance checklist stating that they have examined a variety of environmental and socioeconomic impacts surrounding their projects. Where environmental issues exist, applicants are required to complete a thorough environmental assessment that identifies the problems and solutions the grantee has taken/will take to mitigate the problem. These assessments can often take considerable time to complete. Given the importance of being ready to move forward with your project, we recommend examining these issues as soon as possible. For more information, visit <http://www.epa.gov/Compliance/nepa/>
- ARRA funds must comply with Section 106 of the National Historic Preservation Act. For more information, visit <http://www.achp.gov/about.html>
- **ARRA funded projects must use iron, steel, and manufactured goods produced in the United States. Health centers should factor this in when developing project budgets.**

What else can health centers do to prepare?

First – be ready! Develop as much detail surrounding your project as possible. Collect information about your project including the following:

- A detailed project summary
- A detailed budget based on prevailing wage costs in your area and American-made materials
- A description of your project team and timeline
- Documentation that you own or have a long-term lease arrangement for the space you plan to build on
- Detailed schematic drawings or more extensive architectural plans if possible
- Additional sources of funding for your project beyond stimulus funds (both equity and debt sources if necessary)
- Potential Environmental Impacts or Historic Preservation Issues

Get Others Involved-

Make sure you share the details of your project with your HRSA project officer, your State or Regional Primary Care Association, Capital Link (jmckelvey@caplink.org) and other local officials. NACHC will also be maintaining a list of projects and we ask that you also share your information with Dawn McKinney, NACHC Director of State Affairs.

If you receive funds/resources, what kinds of reporting/accountability can you expect? It is important that Health Centers understand that they are some of the earliest recipients of funds going out under the American Recovery and Reinvestment (ARRA), and that transparency and accountability are critical elements of the ARRA. Health Centers, therefore, should anticipate close scrutiny and be able to respond to a high level of accountability in their use of these funds. Health Centers should be careful to request funds for projects that are achievable in the near future. *Note: HRSA will establish its own specific reporting requirements when the guidance is released. See, also, our “S Paper” on Economic Stimulus and Accountability*

What resources are available to assist Health Centers to receive the funding?

- 1) Information updates: Dawn McKinney (dmckinney@nachc.com), Joe McKelvey (jmckelvey@caplink.org)
- 2) Capital planning and financing assistance: Joe McKelvey, Capital Link (jmckelvey@caplink.org) and (www.caplink.org)
- 3) Upcoming trainings: NACHC Webinars—May 11th 2-3:30 EDT, May 26th 2-3:30 EDT. Visit <http://www.nachc.com/conferences-and-trainings.cfm> for more information.