

## **New Opportunities for Michigan Nonprofits**

The new American Recovery and Reinvestment Act (ARRA) will create and preserve jobs, stimulate local and state economies and fund services for Michigan's most vulnerable populations. It provides for a huge and critical influx of funding to Michigan (estimated at \$18 billion total) for these purposes. Some metropolitan Detroit-area nonprofits will be perfect partners to help carry out some of the priority programs and projects of the ARRA.

Seizing new funding opportunities, while at the same time staying on task with mission and purpose, is not new to nonprofits. In fact, this is a way of life for many of them, large and small. This is especially true in today's harsh local and national economic climate. Metropolitan Detroit area nonprofits are struggling to survive financially as public and private dollars they used to be able to count on are no longer available or have been greatly reduced. Many are facing immediate and tough decisions about their viability to continue to be successful in providing greatly needed services, or even survive. ***Along with the private and public sectors that are also facing severe economic challenges, some nonprofits are looking immediately to the new funding opportunities coming to Michigan through ARRA as a possible lifeboat to continue their work through this tough time.***

The first immediate and obvious question for nonprofits is: what exactly are the opportunities nonprofits will have through the ARRA? There is still uncertainty.

### **Local and Community Funding Opportunities**

Specific funding areas were set by the ARRA legislation. These areas, and how much funding will be allocated to Michigan for each, are already known (see overview from the Michigan League for Human Services at <http://www.milhs.org/Media/EDocs/MIsStimulusPKG09Revised.pdf>). Many nonprofits are looking at the breakdown by program area of the expected \$18 billion influx of new funds to Michigan and are trying to understand what to do next to connect, or get ready to connect to them. We know that:

- Billions of dollars will be distributed by existing formula funding to core programs (Medicaid, Unemployment Insurance, K-12 schools, etc.), but we aren't yet clear if and/or how these formula funding increases will create new funding available for existing and/or new nonprofit program partners.
- Nonprofits are among the 1600 organizations requesting \$49 billion in Michigan ARRA project funding through direct project requests to the Governor (see full list: [http://www.michigan.gov/documents/gov/inventory\\_267577\\_7.htm](http://www.michigan.gov/documents/gov/inventory_267577_7.htm)). While extremely competitive, some nonprofits may receive funding through this avenue. These decisions are expected to begin in March, although it's not clear when all decisions will be made about which proposals will be funded.

- There will be RFP opportunities to carry out some of the AARA funded programs, and some nonprofits will be eligible and viable partners to apply. We don't yet know, however, the specific programs that will use a RFP process to select and fund organizations to advance the goals of AARA, but there could be significant opportunities for nonprofits through this approach.

The state's website has identified the anticipated program areas for local and community funding opportunities, but has not yet defined the details of how most of these program dollars will be allocated (see list at [http://www.michigan.gov/gov/0,1607,7-168-46485\\_52682\\_52838---,00.html](http://www.michigan.gov/gov/0,1607,7-168-46485_52682_52838---,00.html)). Information that is more specific is expected to become available from the state over the coming weeks and nonprofits can monitor this website for updated information on these funding opportunities.

### **Some Immediate Points to Consider**

*Be sure there is a solid match between the ARRA funded program and your organization's expertise, skills and capacity to successfully deliver results.* Some ARRP programs may be a clear fit to what your organization already does, and does well; while others may be a stretch and would require some quick retooling or shifting to take on. This type of assessment is common for nonprofit leaders as they consider entering into new and renewed funding partnerships—and it is especially important relative to seeking ARRA funding. President Obama and Governor Granholm have already publically declared, if not warned, that all organizations that receive funding through AARA will be held to the highest standards of accountability and expectations for implementing programs swiftly and successfully.

*Begin conversations with metropolitan Detroit area cities, counties, school systems and any other known entities likely to be key recipients of ARRA funding in obvious program areas in which your nonprofit holds expertise, e.g., health care, housing, child care, education and others.* They may not yet have all the answers or details either, but they are likely trying to plan and ensure they will have the capacity to carry out new or expanded programs. Nonprofit partners could help to fill this capacity where needed. Whether a nonprofit is an existing partner or a potential new partner to these entities, the opportunity for a role in helping them achieve ARRA goals should be explored quickly, as the timing for preparing plans and proposals is expected to be swift.

*It's not too early to begin to prepare a high quality plan and proposal.* There will be great competition across public, private, and nonprofit organizations to be funded to advance the goals of the ARRP in the Detroit metropolitan area. Nonprofits will not only need the capacity to successfully deliver the programs they propose to implement, they will need to ensure that they clearly articulate plans and satisfy all other proposal requirements to effectively compete for the funding. This clarity is also significant in the transparency promised to the public about the details of what funded organizations have proposed to do and will be held accountable for.

Notes: This and future *Quick Briefings* related to nonprofit funding opportunities through the AARA can be accessed on City Connect Detroit's website: [www.cityconnectdetroit.org](http://www.cityconnectdetroit.org). SOURCES: State of MI, National Council of Nonprofits, Independent Sector, Chronicle of Philanthropy, Michigan League for Human Services, Recovery.gov