

# Federal Grants Available To Help With Adjustment to Defense Cuts

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The end of the post-9-11 surge in Pentagon spending is underway. Some of the cuts we know, some are waiting to be determined. But we do know that defense-dependent communities across the country will be affected.

Most Members of Congress want to base their defense budget votes on their judgments about what we need to defend the country, and what we can afford, rather than on what defense contractor lobbyists say we need.

But they also need to be able to show their defense-dependent communities, businesses and workers that they are thinking about their needs and can offer help.

An enlarged pot of federal money is available underwriting transition planning by defense-dependent communities to create new economic activity to take the place of dependency on Pentagon contracts.

Members of Congress can let vulnerable communities and workers in their districts know about this program, and provide the political support necessary to secure these planning grants. And, once a plan is determined, they can help secure implementation funds from a network of other federal agencies.

Economic development professionals agree on one thing: *getting ahead of the curve is critical to a successful economic strategy.*

Accessing these funds doesn't mean you're unconcerned about your existing jobs base. It just means you're doing what you can to have a Plan B in place if that base takes a hit.

## **New Federal "Plan B" money available**

The Office of Economic Adjustment in the Pentagon (oea.gov) has one mission: to help communities affected by defense downsizings, either from base closings or defense industry contract losses, with transition planning grants and technical assistance (see program guidelines at [1](#) and [2](#) and below).

**The Obama administration is ramping up and fast-tracking this assistance.**

***To be eligible, does a community have to have undergone a contract cancellation?***

## **There are two kinds of grants:**

- Grants to help states and localities adjust to defense contract reductions already announced.
- Grants to enable states and localities to do advance planning to diversify their economies so that they will be less vulnerable to the defense drawdown.

These are primarily administered as grants to states which can then administer sub-grants to individual localities.

## ***How does the process work?***

The grantee puts together a coalition of economic development professionals and community, worker and business stakeholders to devise an economic transition plan.

## ***A Plan is one thing. But what about money to help implement it?***

In addition to supporting transition planning—financially and with hands-on technical assistance—OEA will help connect communities to support from other federal agencies—including divisions of the Departments of Commerce, Labor, HUD, USDA and SBA—to implement the economic transition plans they construct using OEA planning funds.

## **Capitalizing on this challenge and opportunity**

Adjusting to the defense downsizing will be a challenge for communities across the country. Members of Congress need to seize the chance to help their local officials turn this challenge into the proverbial opportunity: to help their communities chart a path to new economic activity not dependent on wartime levels of military spending.

Public officials can contact OEA directly to open a dialogue on getting the process started, at 703-697-2130. I am also available to answer questions and offer suggestions. Contact me at [Miriam@ips-dc.org](mailto:Miriam@ips-dc.org) or 202-787-5214.

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OEA Defense Industry Adjustment program guidelines at:

<https://www.cfda.gov/?s=program&mode=form&tab=step1&id=d789a8ba0a42a998d6bb68193b7f978>.

<https://www.cfda.gov/?s=program&mode=form&tab=step1&id=905e9d27307ef8c49ec2f3b9df7df7d3b41>.

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