

Federal Grants Available To Help Cities and Towns Adjust to Defense Cuts

Updated 7/14

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 communities across the country will be affected.

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.

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. State and community leaders need to seize the chance to 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 or 202-787-5214.

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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