

American Recovery and Reinvestment Act of 2009 (ARRA)

Implementation Update

October 2009

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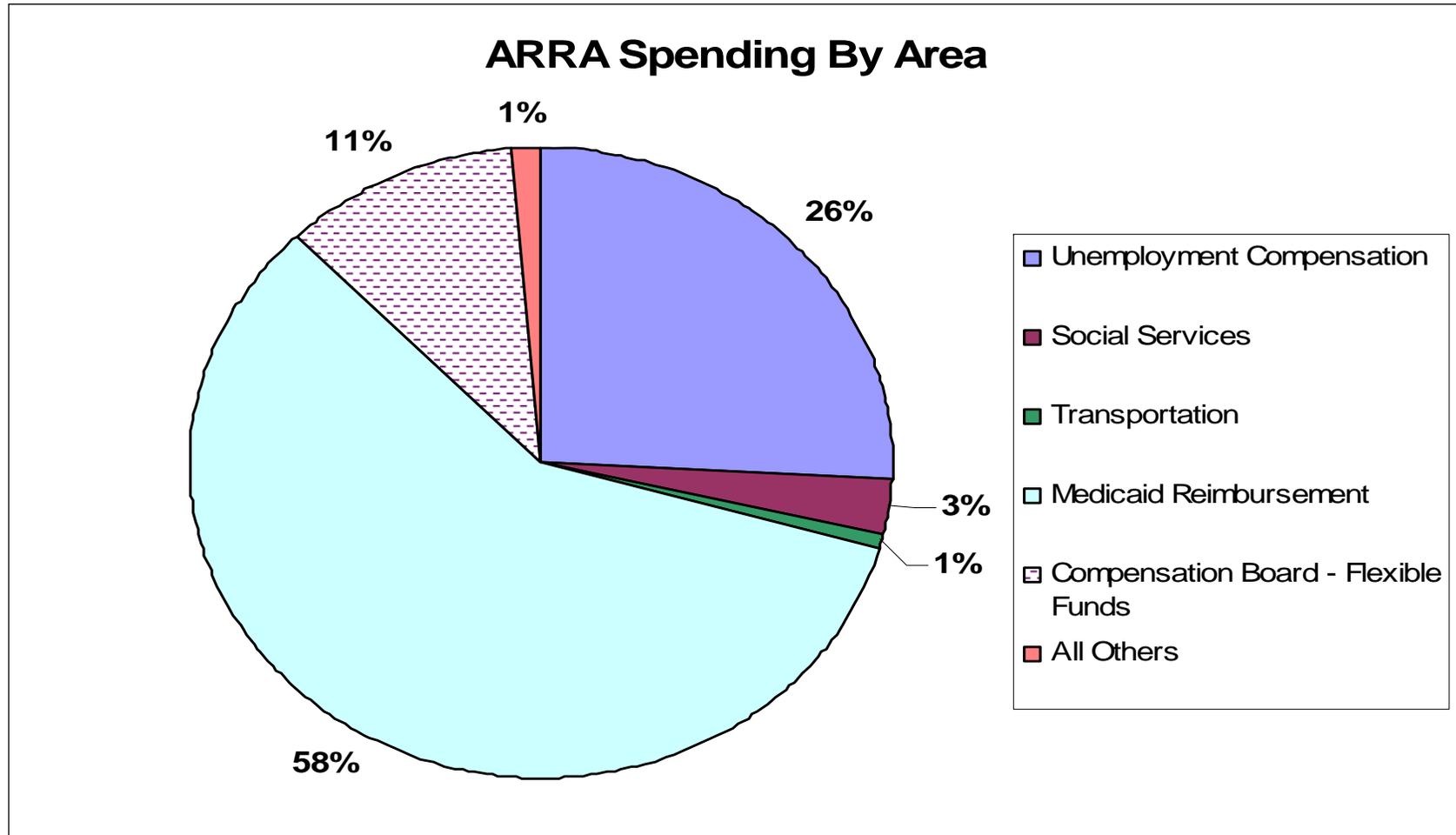
Implementation Update Overview

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- As of October 14, more than \$5.0 billion in ARRA federal contract awards, grants, and loans have been made in Virginia
 - Contracts – 450 totaling \$811 million
 - Grants – 1,332 totaling \$3.6 billion
 - 284 competitive grants (\$121.9 million) to state agencies
 - Loans – 796 totaling \$603 million
- Virginia state agencies have received and disbursed more than \$1 billion to citizens, local governments, and businesses
- State agencies have reported more than 4,300 jobs retained/created

ARRA Spending in Virginia

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Virginia's Policy Goals

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- Many ARRA programs require use of existing federal rules
- In some cases, the Governor has been able to overlay Virginia policy goals. Examples include -
 - Consider unemployment rate to determine award amount and grant/loan mix
 - Limit administrative costs
 - New projects not funding substitution on existing projects
 - Use Renew Virginia goals for designing energy programs
 - Provide direct services that have long-term benefit to citizens

Example Accomplishments with \$4.8 billion Appropriated by General Assembly

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- Medicaid reimbursement from the increased federal share is now close to \$620 million since April 2009
- More than \$1 billion in new infrastructure projects have been approved, including \$100 million in new clean water and wastewater projects
- \$33 million in weatherization funding has been allocated to 22 regional agencies
- \$38 million for child care programs administered by local social service departments

Example Accomplishments with \$4.8 billion Appropriated by General Assembly, cont'd

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- \$268 million committed to transit capital, including Metro, with allowable transfer to transit operating provision utilized
- More than 3,800 citizens have applied for energy rebates
- \$11 million to combat homelessness and rapid re-housing deployments

ARRA Bond Programs

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- Qualified School Construction Bonds - \$191 million a year
 - ▣ EO 90 outlines process and allocated \$71 million to 8 qualifying projects from Literary Fund's 1st Priority Waiting List
 - ▣ \$119 million competitive program open to all school divisions for energy efficiency renovations and retrofits
- Recovery Zone Bonds - \$261 million
 - ▣ First allocated to certain localities under federal formula
 - ▣ EO 94 outlines process for reallocation by Governor as required by ARRA

ARRA Bond Programs

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- Energy Bonds - \$35 million Commonwealth share; \$45 million local share
 - ▣ Commonwealth share will be used to finance energy efficiency projects at state agencies include solar panels, green roofs, wind turbines, & biomass
 - ▣ Will require legislative approval for debt authorization; EO under development
- Build America Bonds are also being utilized or considered
 - ▣ Northern Virginia Transportation District Program
 - ▣ GO Bonds for education institutions and parks and recreation

Education, including Fiscal Stabilization

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- K-12
 - ▣ More than \$500 million is directly allocated to local school districts following a variety of federal formulas including Title 1 and special education
 - ▣ Spending is just now starting because of school calendar

- Higher Education
 - ▣ Many institutions have also successfully competed for competitive grants
 - UVA - \$40 million; VCU - \$35 million; Virginia Tech - \$24 million

- State Fiscal Stabilization Fund-Education (\$984 million): Appropriation Act directed that the funds be used to restore cuts in K-12 and Higher Education.
 - ▣ \$365.0 million in FY 2010 for K-12 education; \$126 million for higher education in FY 2010
 - ▣ Governor's September 2009 reductions direct an additional \$68.9 million to K-12 and \$92 million to Higher Education with balance available in FY 2011

Fiscal Stabilization Fund Calculation

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ARRA Calculation Requirements

- ▣ Allowable use of the Fund is based on funding shortfalls in K-12 and higher education; Federal guidance gives states flexibility for appropriating between fiscal years
 - ▣ Allowable use must be determined for each fiscal year and not as one cumulative calculation
 - ▣ The calculation is done separately for K-12 and higher education by year
 - ▣ However, for the total period, the approved calculated amount provided to K-12 and higher education cannot be exceeded
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- ▣ Revised federal rules and the August (interim forecast) require re-calculation of Fiscal Stabilization Fund distribution between higher education and K-12 for FY 2010 and FY 2011
 - ▣ Change request has been submitted to begin process

Fiscal Stabilization Fund Allocation

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Based on the official guidance and depending on what data is used to calculate shortfalls, the appropriation allocation of Fiscal Stabilization Funds between K-12 and higher education will change for FY 2011

2009 Appropriation Act (Ch. 781) approved amounts including FY 10 appropriations and FY 11 assumption		
	K-12	\$730.4
	Higher Education	\$253.5
Allocation Calculation Based on Federal Guidance using 2009 and 2010 appropriation actions		
	K-12	\$658.1
	Higher Education	\$325.8
Allocation Calculation Based on September 2009 budget reduction plan		
	K-12	\$599.4
	Higher Education	\$384.5
Fiscal Stabilization Fund Total For Appropriation		\$983.9

Transportation

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- According to USDOT, as of October 9, Virginia has obligated ARRA highway funds to 94 projects totaling \$399 million
- Projects are strategic investments to create jobs, address needs, and provide new solutions
 - 119 bridges being replaced through 7 design build contracts
 - Stalled congestion projects restarted in Northern Virginia and Hampton Roads
 - More than 100 lanes miles of new construction including new roadway and interchanges to address more than 21,000 new BRAC jobs at Fort Belvoir, Ft. Lee, and Ft. Eustis
 - Foster economic growth by achieving 50% freight rail movements from port
 - 552 miles of pavement repair & rehabilitation under contract
 - Solve freight/passenger rail/vehicle conflicts along I-95 and I-81 freight routes

Transportation

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- Competitive High Speed Rail Program I-95 applications have been submitted; Hampton Roads application is submitted in Spring 2010
 - ▣ Achieve 90 mph in corridor with ability to move to 110 mph; reduces travel time between Richmond and DC to less than 2 hours
- \$300 million TIGER grant application submitted for Midtown/Downtown/MLK Project
- Virginia has exceeded all ARRA highway requirements even though new projects are being implemented with declining traditional revenues
- Looking at other states –
 - ▣ Wyoming is building 1 project; the rest are repaving, fence repairs, and other heavy maintenance
 - ▣ More than half of North Carolina's projects are repaving
 - ▣ About a fourth of Maryland's projects were advertised before February 18th – ARRA funds were substituted for other funds

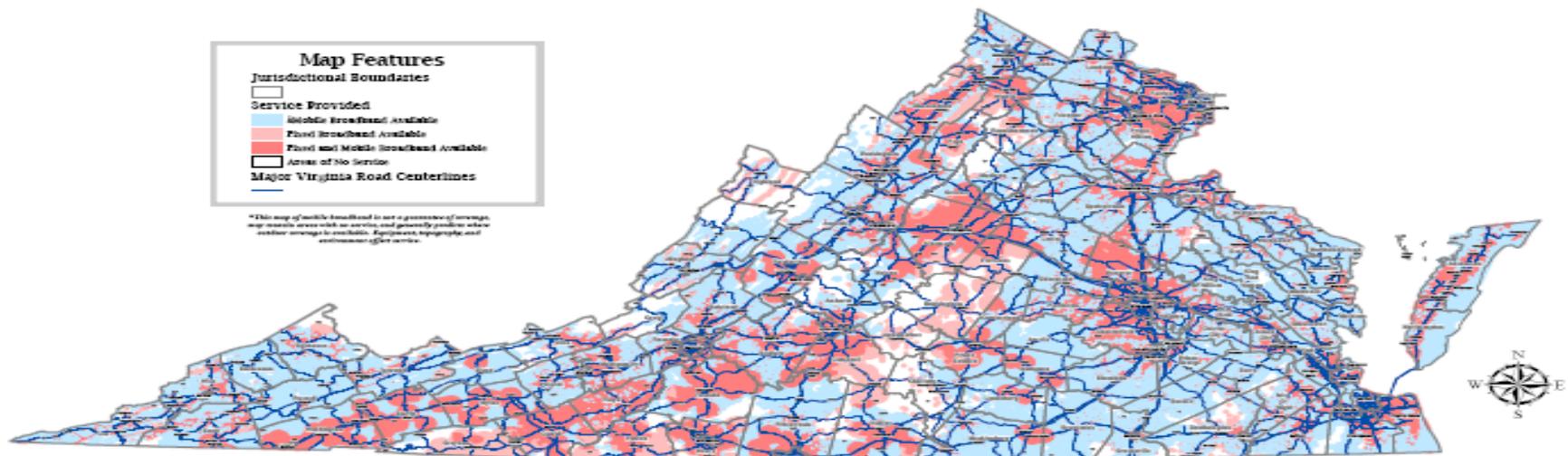
Broadband

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- Broadband submissions made by broad array of entities in late summer - \$2.7 billion grants/loans in 137 applications
 - Virginia asked to “comment” on applications
 - Unserved areas and Virginia-based companies were noted
 - 66 applications totaling \$718 million in grants/loans

Virginia Broadband Coverage

A Production of Virginia's Center for Innovative Technology and Participating Service Providers



Health IT

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- Health IT
 - ▣ EO 95 creates broad-based Commission to ensure stakeholder engagement and advise Governor
 - ▣ Department of Health will have organizational responsibility for application processes
 - ▣ Health IT Standards Advisory Committee established
 - ▣ Details submitted this month to receive \$11.6 million for Health Information Exchange with strategic and operational planning first step during the next nine months

Reporting

ARRA Accountability & Reporting

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- State Comptroller conducted collaborative agency preparation meetings and readiness assessments
 - Established accounting and control framework to ensure non-commingling of ARRA funds and accurate, complete and timely reporting
 - Issued policy guidelines incorporating OMB requirements
 - Conducts required central Section 1512 quarterly report monitoring
 - Stimulus policy link at <http://www.doa.virginia.gov>

- Recipient (“Section 1512”) reporting applies to most grants – 35% of all ARRA funding
 - Excludes funds provided to individuals for:
 - Entitlements (e.g., enhanced FMAP, SNAP) – 28% of all ARRA funding
 - Tax relief, 37% of all ARRA funding
 - Cumulative total amount of funds received and expended
 - Cumulative estimates of jobs created or retained; including job estimates of subrecipients and vendors

ARRA Recipient “Section 1512” Reporting

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- State has no reporting role for ARRA funds flowing directly to other entities in Virginia
- States can report 1512 data on a centralized or decentralized basis
 - ▣ Virginia reports on a decentralized basis
 - ▣ Each state agency files 1512 reports at Federal.Reporting.gov
 - ▣ Central oversight required – monitoring and report review
- Initial quarterly reporting began this month
 - ▣ October 1-10 state agency initial report submission period
 - ▣ October 11-21 state agency report review and correction period
 - ▣ October 22-29 federal agency review/flag reports for state agency correction period
 - ▣ October 30 first public reporting by RATB on Recovery.gov
- Recipient agencies must also meet program reporting requirements

October Reporting Summary

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- 33 State agencies submitted 415 “Section 1512” reports *
 - 131 formula grants as of 9/30/09
 - \$2.1 billion awarded
 - \$147.1 million expended
 - 4,131 jobs created/retained
 - 284 competitive grants/contracts as of 9/30/09
 - \$121.9 million awarded
 - \$3.8 million expended
 - 186 jobs created/retained

* Excludes awards made directly to non-state entities in Virginia

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