
American Recovery and Reinvestment Act of 2009 (ARRA)

Implementation Update

Implementation Process

- The implementation process has focused on three key activities:
 - Transparency and communication
 - Understanding the provisions of the ARRA and individual programs
 - Implementation of the provisions and programs

- During February, the **www.stimulus.virginia.gov** website was launched to solicit input from citizens on projects for potential funding - more than 9,000 projects were submitted to the website totaling close to \$466 billion
 - An ARRA Implementation Team was named, chaired by Wayne Turnage, Chief of Staff, with subject matter experts in each functional area

Appropriation of Recovery Act Funding

- In early March, the General Assembly appropriated \$4.8 billion in estimated Recovery Act federal funds as part of the budget process; the Governor signed the Appropriation Act on March 30th
 - The \$4.8 billion is primarily comprised of Medicaid reimbursement, Fiscal Stabilization, Transportation, K-12 education, and Food Stamps
 - All Fiscal Stabilization – the “flexible funds” have been appropriated for a purpose by the General Assembly – as a result, the 9,000 projects must fit a specific ARRA program to be considered for funding

 - Governor provided the required certification to begin receipt of funds on March 3, 2009 with other individual program certifications required on a more piecemeal basis
-

ARRA Health and Human Resources Funding

- ❑ ARRA includes \$1.9 billion for a variety of HHS programs with \$1.0 billion resulting from increase in the federal Medicaid matching rate
- ❑ With General Assembly action to restore eligibility levels, Virginia's increased Medicaid funding is being collected – about \$240 million to date
- ❑ Other HHS programs are citizen based services with Food stamp benefits - \$355 million - flowing beginning April 1
- ❑ Drinking Water State Revolving Fund – 240 project applications totaling \$450 million are under initial review by the Department of Health

ARRA Education Funding

- K-12 Education receives approximately \$1.3 billion of the \$4.8 billion
 - More than \$500 million is directly sent to local school districts following federal formulas for Title 1 and special education programs
 - The remainder, \$984 million, is part of the Fiscal Stabilization Fund, the “flexible spending” account in the ARRA that must be directed to education
 - The \$984 million is being used to restore \$365.0 million in FY 2010 for public education and like amounts in FY 2011; remainder is to higher education
-

Implementation Process - Education

- The Federal Department of Education released guidance on K-12 education funding and the State Fiscal Stabilization Fund on April 1
 - The State Superintendent of Public Instruction is sharing all information with local school divisions as it becomes available – dedicated website established
 - State Fiscal Stabilization Fund (the first phase) application will be due to the federal Education Department this month
 - Secretary of Finance and State Superintendent of Public Instruction are working jointly on the application

Implementation Process For ARRA Public Safety Funding

- Byrne Jag Assistance Grant application for funding due this week – will replicate General Assembly spending action
 - Localities must follow similar process

- Required applications submitted for Victim of Crime Act and Violence Against Women Act funding

- Internet Crime Against Children applied for by State Police and Bedford County to support their task forces

ARRA Funding And Implementation For Transportation

- ❑ Recovery Act includes \$811 million for transportation – all modes with \$695 million for federal highway funding
- ❑ Transportation projects are being selected - \$328 million approved by the Commonwealth Transportation Board on April 16, 2009 for immediate advertisement and contract award; another \$17 million for rural transit
- ❑ Entire List of potential projects under consideration by the Commonwealth Transportation Board on the stimulus website

ARRA Funding and Implementation For Environment

- The Department of Environmental Quality has released a draft listing of state clean water revolving loan fund projects that qualify under EPA guidance and the subsequent prioritization of projects for 30 day public review
 - \$1.36 billion in funding was requested in 294 applications – \$76 million is available
 - State Water Control Board will act in late April after review of public comments

- State Energy Program initial application submitted (mirrors State Energy Plan) – project process will likely start in July

ARRA Employment Services Benefits

- ARRA provided additional benefits to the unemployed
 - 13 week unemployment extension in addition to the original 26 weeks and 20 week extension already in place – can begin July 1 if unemployment rate stays above 6.5%
 - COBRA benefits are being extended to laid off employees in small businesses (defined as 20 or less employees)

ARRA Employment Services Benefits (continued)

- ARRA provided additional benefits to the unemployed
 - Unemployment modernization – Virginia already qualifies for \$65 million in ARRA funds
 - Virginia will not receive \$125 million in additional funds at this time because the Governor's proposal to expand unemployment benefits to part-time and those in a certified training program were not accepted by the General Assembly
- Governor's Workforce Sub cabinet will recommend uses of discretionary Workforce Investment Act in next 30 days

Housing and Community Development

Programs that directly fund housing authorities and entities

| | |
|---|----------------------|
| Weatherization | \$96,931,634 |
| Public Housing Capital Fund | \$51,212,000 |
| Community Development Block Grant - Entitlement | \$11,311,643 |
| Community Development Block Grant - Non-Entitlement | \$5,331,340 |
| HOME Investment Partnerships Program | \$44,189,767 |
| Homelessness Prevention | \$24,934,000 |
| Emergency Food and Shelter | \$1,247,314 |
| TOTAL | \$235,157,698 |

ARRA Transparency & Accountability Issues

- OMB guidance is just now forthcoming on reporting requirements – David Von Moll, the State Comptroller, is leading this effort

- All project-level decisions that the State is accountable for can be found on Stimulus.virginia.gov website for public review
 - Competitive Grant information updated weekly and on website as well

- Ongoing meetings and discussions with legislators, localities, and others to keep them informed