

ARRA Implementation Conference

Session I- Agency Presentations

The conference began with opening remarks from Vice President Biden.

OFFICE OF MANAGEMENT AND BUDGET

OMB Presentation- Rob Nabors:

What OMB is doing with oversight and implementation?

1. So Far: \$15 billion in Medicaid funding in last 23 days, \$36 billion for transit projects, \$7 billion for COBRA.
 - a. Money cannot be stored for rainy day funds.
 - b. Must be spent wisely. Federal government is going to push states to do things differently and expect to be pushed as well.
2. Eliminating waste, fraud ,and abuse:
 - a. Internal oversight is not enough. Must retain public confidence throughout this process and the public will help with this oversight. Recovery.gov has been receiving 3,000 hits per second. Outlines how when and where funds are being spent.
 - b. Joint endeavor between state gov, local gov, and the American people. Admin alone cannot do it. Federal government is asking states, business and communities to provide reporting that is unprecedented.
 - c. Each federal agency is accountable for their part in ensuring the recovery is a success

OMB Questions and Answers

Q- What did VPOTUS mean by all that is legal is not acceptable?

A- Certain programs which the Recovery Act uses to fund projects have legal allowable funds which are more inclusive than permitted by the ARRA. There is a provision that states no money from this act can be spent towards swimming pools, golf courses, etc. The dollars from the ARRA are special. The federal government is asking states to not use funds in certain ways.

Q (Maine) - What is the state's responsibility for monitoring funds that go straight to other in-state agencies?

A- OMB is going to put out additional guidance. People making the decisions about that money have the responsibility of explaining to the American people how that money is spent. More details about who should be reporting and what should be reported are coming.

Q- Should we anticipate some understanding of how we count jobs?

A-Yes, it is forthcoming with the next package of regulations.

Q- Will there be a national set of deadlines and goals for the states? Communication to Governors has been spotty. Milestone information and deadline communication has been troublesome

A- We'll commit to improving communication; as far as deadlines, we are getting up to speed on reporting deadlines and you will hear from specific agencies. There are specific programmatic requirements

Q- Will we get templates for reporting? Will there be coordination between agencies regarding reporting templates?

A- Statutory requirements sometimes will necessitate differences in reporting. Going to try and streamline but will not be able to produce a one size fits all reporting template.

Q- How can states maintain and stabilization funds? Does all the money have to go out the door?

A- There is a gap between what the economy is producing and what it should be producing. To the extent that the money is sitting in an account and is not putting people back to work the stimulative aspect is greatly diminished. It's crucial to our long term recovery to spend the money. We have to do more tomorrow than we were doing yesterday.

Q-(OH) State has nothing to say about how the funds should be used and about reporting. To what extent are they special recovery and to what extent are they an expansion?

A- Every dollar we provide is an opportunity to do something new and innovative. There is a special tracking for this money. In flavor there are not two types of IDEA money but there are special tracking requirements.

Q-(VT)- More transparency. If you have to go to 17 different agencies to get the information then citizens will not be able to understand. People are not going to educate themselves how to track the money.

A- We commit to doing that to the maximum extent possible

Q- Is there any way of centralizing information between states?

A- OMB sees the states as partners.

Q- When will federal guidance be out? Are you beta testing your guidance?

A- The next set of guidance will be coming out in the next month. If there are specific issues we are happy to talk about that offline.

Q- Synthesizing information and want a way for states to work together. There are 50 different beginnings to this effort. Can there be some way of synthesizing this information?

A- That is a good idea

Q- How can we track the money?

A- We are setting up separate treasury funds.

Q- Is there a way for agencies to put deadlines in one place?

A- That is something we will keep in mind.

Q- If we get advice from the Department of Education, can we (states) go with that advice or should we check back with the OMB?

A- No, go with the Department of Education's recommendations.

DEPARTMENT OF ENERGY:

DOE Presentation

There will be department advisors for each state. If you go to recovery.gov you will be able to see the money that is already allotted to your state and for what kinds of programs. DOE is trying to make them the kind of programs you can touch and see in your own neighborhood.

1. Transparency- We are going to review energy projects every quarter instead of every two years. We are going to allot each dollar to a state for a specific outcome. Want to be able to measure each of those pieces and translate that with a week by week operating plan. If we make a mistake now we are going to see that problem 60 day from now. Puts a new obligation on the states to report on the checks the states are writing.
2. DOE is expecting this money to provide the future of energy in this country. Have the potential to make a meaningful contribution and make the US more energy efficient. Same thing is true of environmental cleanup. We have the ability to make a meaningful contribution to economic recovery and to the environmental future of the country. We are phasing money in so you can build up capabilities to effectively spending money. Now on the website is a form that will allow states to get 10% of funds immediately.

DOE Questions and Answers

Q- Agency coordination? What happens if we can't spend the money the way we were intending to do?

A-We are planning to phase in the money. In many states the training needs to happen before the jobs are available.

Q- Is the understanding that the funds won't be immediately available that certain things must happen before?

A-DOE asks the states to come back with a detailed plan for how the states are going to fund. Don't accept the funds if you are not ready to obligate them with the principle. Our intent is for 70% of the funds to be spent by December of next year and for some programs it will take a bit longer.

Q- School districts got great opportunities, but K-12 establishment isn't proficient at being able to spend in chunks.

A- Interagency coordination is very important and I will talk to Dept of Education coordinator about that.

Q- Funds in the program that are specific for cities and small cities. How do you expect them to report?

A-I will turn that over to OMB. We need to know what cities you sent it to and what they did with the money and we must be able to audit it.

Q- There are statutory requirements on building requirements; do you have specific model standards?

A-There are model standards

Q- Tracking money

A-You report on whoever you sent money to and have to report the dollar amount you sent out and what the outcome is.

Q- Is there coordination with the DOL with how to mobilize workforces?

A-Its occurring at the federal level. Encourage states to have this marriage at the state level. When meeting with HUD discovered there places neither was going and places both were. Needs to be coordination at the federal and state level.

Q-Connecting smart grid work with weatherization?

A-No is the simple answer. One is a network problem

Q- VP mentioned energy audits. How can we roll in the private sector?

A-States have latitude here.

Q- Matching commitments and cost share opportunities?

A-One of the things we are working through is the appropriate level of cost share. Trying to go through the program and find out what is the level of cost share and the opportunity. Working with OMB on this.

Q- Do you take into account individual states' balanced budget requirements?

A-It's something that we are trying to do on a program by program basis. Want to make sure good projects are getting the funding they need.

DEPT. OF HEALTH & HUMAN SERVICES

HHS Presentation

Recovery Act Funding Available

- entitlement funding – 83 bill in Medicaid funding
 - o foster care and adoption funding not yet available
 - o 985 mil for child enforcement
- Discretionary funding
 - o Less reporting requirements
 - o See table handout
 - Prevention & Wellness – 3 billion
 - o Health IT - works with entitlement funding
 - o Admin for children and families – state block grant
 - Headstart & early headstart
 - New nonprofit community development
 - o Indian Health Services
 - o Administration on Aging
 - o IG funding

Reporting Requirements

Recovery Act implementation Process

- there's a broad array of programs getting \$\$
- agency heads meet at least once a week to talk about how the recovery admin is going
- standard terms and conditions
- hhs.gov/recovery – shows state by state how much \$ is available for Medicaid
- trying to coordinate better

HHS Questions and Answers

Q- When are you going to make decisions about immunization funds?

A- Soon; our team is going through every day and very soon we will work that out.

Q- Are you going to send us actual immunization shots? It makes a difference to us.

A- It'll be 317 state grants that come through on regular basis.

Q : Health IT – MA has been creating for a year a statewide exam on health IT; what is your advice?

A- A team is thinking through these issues; part of issue is we want to support what already exists.

Q- have you developed plain language summary document on what the federal bill wants to accomplish vis a vis Health IT?

A- It would be helpful and we should definitely work on something.

Q- Who gets reporting requirements?

A- Reporting requirements are all on those who get the funding.

Q- Is there a time frame by which we have to spend money?

A- Important question. We'll make sure we iron out that detail and make it clear.

Q – If a hospital doesn't have 330 certification, can they get funding?

A – No, Congress didn't authorize it.

Q – Health IT, is there a plain language summary of what the bill is trying to accomplish with health IT?

A – We need to get one, send it to us if you already have it, it would be helpful, complicated bill.

Q – How do you determine the prevention and wellness funding?

A – Prevention and wellness funding will be done traditionally... immunization funding will be slower with evidentiary findings, etc.

Q – Is there a time frame to send CMS money?

A – Don't know.

DEPARTMENT OF EDUCATION

Dept. of Education Presentation

PowerPoint Presentation

Guiding principles:

1. Create jobs
2. Transparency
3. Long term jobs
4. Advance long term reform

\$44 Billion available in 30-45 Days

\$49 Billion additional in 6 months\

\$5 Billion more by Fall'09

- a. Race to the top fun- 4.35 B- additional funding in competitive grants to states making the most progress
- b. Investing in what works- \$650 B in competitive grants to districts and non-profits that have made significant gains in closing achievement grants

Advancing effective reform:

- a. Pre-k to higher education. How can we take a longer continuum?
- b. Intensive support for the lowest performing students. States will define who those are but in a group that is actionable.
- c. Teacher effectiveness and equitable distributions of effective teachers.
- d. College and career ready standers. High quality standards and reliable assessments.

State Fiscal Stabilization Fund

HHS Questions and Answers

Q (FL)- At the end of March the legislature will be half way through 60 day schedule. The state need guidelines.

A-We understand the time constraints.

Q – What's the guidance on 18% funds?

A – States have broad latitude.

Q- Is it best to submit questions to you in written form?

A-Yes we also will be putting together conference calls and webinars. Also created two email addresses: state.fiscal.fund@ed.gov and IDEArecovery.comments@ed.gov

DEPARTMENT OF TRANSPORTATION

DOT Presentation

No room for projects that look stupid and are stupid. Encourage the states to be vigilant. Information requirements go beyond what the law requires. There are things that businesses can legitimately spend money on that cannot happen with federal grants. Increased degree of transparency and the department will help with those guidelines.

DOT Questions and Answers

Q. What are you thinking about direct allocation? Are they going to be treated like state projects and what is the reporting?

A. The state will be reporting.

Q. Duplication of reporting? There are local entities that are responsible for reporting already.

A. We will figure it out; the goal is not to make it more difficult.

Q. How did states already start projects?

A. If you have the money. States assume the risk of applying for reimbursement; no reimbursement for projects started before Feb 15. Missouri started the work on a bridge the day the bill was signed, however, they did not begin construction.

Q. Can any of the funds be used for essential air service?

A. No.

Q. Can any of the funds being used for ferry service?

A. Within the highway money there is money dedicated to ferries.

Q- Can we delegate bidding to the locals?

A- We want to discourage that.

USDA

USDA PRESENTATION

21 billion dollars in food nutrition area; 145 million dollars for states to update software; food distribution on Indian reservations for 5 million; and funding for natal school lunch program; in rural development, there are a number of projects ongoing. Also, broadband funding in rural development and DOA is currently working with Dept of Commerce – there will be outreach meetings where they'll figure out how to best address broadband activities.

Really emphasizing transparency. So they're setting up a system to let mayors and local leaders to give updates about the projects that are being funded. Things like blogs, etc.

Q- With respect to back logs – do you expect to devote the program or clear the backlog soon?

A- The backlogs will be cleared in the next week and then we will move forward.

Q – RDA loans there's a backlog, do the recipients of those loans know about the backlog, how are they being notified of backlog?

A – Recipients are notified directly.

Q- Is there a similar map of backlogs (referring to a slide that was shown in the presentation)

A : No, but we that sounds like a good idea.

Q- Can we get notified from Federal Government and send to a central point person in our states when we get grants? The issue is we often find out about funding projects in the press.

A- These are all objectives that we have and we're working towards that end. We'll work to see if we can improve it at all.

Q – When will you announce the broadband portions of ARRA?

A – Still studying the issue, and accepting comment.

DEPARTMENT OF JUSTICE:

DOJ Presentation

Public safety is vulnerable in economic hard times. We are looking around the county at law enforcement agencies who are looking to retain staff with recovery act funds. Cannot have economic viability without safe communities

1. Lions share is going to be available through Byrne grants. Can fund anything from domestic violence to treatment and victim services. 60% for states and 40% for local governments.
2. Services for crime victims. \$100M victim compensation and victim assistance. Application for these programs are due on March 20th. Turn around applications within 15 days.
3. Violence against women: recovery act will be administering \$225 M. \$140 M to states to promote a multidiscipline approach. 25% of projects must be non-federal dollars but will consider waivers. \$43 M dollars to transitional housing assistance programs. Provide help to tribal governments to deal with tribal violence and violence against women.
4. Community oriented policing services: Money goes to states as well as localities. Unlike programs in the past there is no local match also there is no cap on the grants made under this program. There is a one year retention requirement. This is different from the past in that there was a one government al cycle retention requirement.

DOJ Questions and Answers

Q. On the retention., how do you calculate when a year starts?

A. The one year retention starts after the grant has expired.

Q – Does COPS deal with specific officer or position?

A – Position.

Q. What is community policing?

A. On website there is a very broad definition that allows localities to define for themselves.

Q. Any new programs?

A. Addition five pots of money: \$125 M program for rural areas, \$40 M for law enforcement agencies along southern borders (mostly drug related), \$50 million for Internet Crimes Against Children Task Forces, administered by Juvenile Justice Office., and money to tribal areas.

DEPARTMENT OF THE INTERIOR

DOI Presentation

Scale: manage 20% of the land of the United States and provides water to 10% of the US. \$3 Billion dollars will be allocated. Goals: Stimulate the economy, protect landscapes, energy independence, and engage youth.

Department of the Interior does not distribute money but is accountable in the same way states are. DOI very eager to engage in this process.

DOI Questions and Answers

Q. Important to let the governors offices know so publicity and promotion occur?

A. Absolutely.

OMB QUESTIONS PART II

Q. Given cash crunches are there going to be advance payments?

A. Have to check with specific agencies.

Q. Is it the entity cashing the check that is responsible for reporting? Will there be a draft of guidelines?

A. There will be a draft distributed. There is a lot of attention being given to cross pollination and making sure that there is a cross agency dialogue.

Q. A lot of questions about auditing and reporting. What about state level procurement activities?

A. Cannot answer what the state and local audit strategies will be.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HUD Presentation

- 1) Promoting Energy Efficiency & Creating Green Jobs
- 2) Tax Credit Assistance Program

- Biggest system for getting affordable housing in US, it is stuck right now b/c of economy.
- Congress gave \$2.25 billion for gap funding.
- they have worked closely with the Community Development Block Grant Program.
- \$1 billion available (30% to states).

3)Homelessness Prevention Fund

- There's intense concern that families will be forced into homelessness.
- HUD is supposed to work with states to figure out how to avert homelessness.

HUD Questions and Answers

Q – (NV) How do you determine who gets the housing money?

A – Some formula funding, but the next round of programs will be determined competitively.

Q – Is any of the homelessness prevention fund earmarked for mentally ill?

A – No, but that \$ could be used to find homes for mentally ill.

Q – What is the administration doing to increase housing market?

A – Dealing with FHAs is a high priority.

Q – Is there some \$\$\$ to be put into state public housing?

A – The ARRA is probably only going to deal w/ the 1937 Act.

DEPARTMENT OF LABOR

DOL Presentation

See handout materials

DOL Questions and Answers

Q. What can you do with that 15%?

A. Of the adult and dislocated youth money states retain 15% to do a series of functions.

Q. How do you make a permanent change for a portion of the \$7B?

A. The law cannot have a provision, nothing that triggers it off by sunset or other ways.

Q. If we make a permanent change to the law, and hypothetically five years from now makes another change, is that allowed?

A. I will have to get back to you

Q. There are 17 performance measures. Are there waivers for some of these measures given the extraordinary economic time we are in?

A. We will entertain waivers for the year that starts July 1. Also, states that have common measures will be allowed to keep them.

Q. Who do you anticipate will be applying for the green jobs grant?

A. Partnerships of labor and industry, there is a section for community based organizations and colleges. For a good chunk they will be awarded to these kinds of partnerships. We anticipate a diverse applicant pool.

Q. (LA) What does permanent mean?

A. Permanent means permanent. I cannot answer what happens 25 years from now. For the time being permanent means permanent. DOL did not anticipate this longer time horizon.

Q. Can you talk about the changes in the trade adjustment act?

A. We are moving a little slower on that. We have sent out a letter to everyone who has petitioned because a more generous program becomes available May 18th. The changes may 18th will extend to service industries and will expand COBRA. It will triple the amount of training and we will have it in place with the new rules by May 18th. We anticipate most people will withdraw who already submitted a petition.

ENVIRONMENTAL PROTECTION AGENCY

EPA Presentation

\$7.2 B was given to EPA total.

We are not creating any new programs; states are used to administering these programs. There are some additional reporting requirements.

Priority for projects that can get started right away. EPA started working with local governments a while ago on the drinking water and clean water side.

EPA Questions and Answers

Q Any thought being given to reopen the Brownfields application field process?

A. The Agency is considering a number of options on the use of the Brownfields funds, including another competition.

Q. On the water quality, 15% has to go out on grants. Is there a legal requirement to distribute these funds to lower income and disadvantaged communities?

A. The specific statutory language requiring the use of additional subsidization makes no reference to the economic status of an assistance recipient. However, the Joint Explanatory Statement accompanying the Act states that “the Conferees expect the States to target, as much as possible, the additional subsidized monies to communities that could not otherwise afford an SRF loan.” While this is not a statutory requirement, EPA is encouraging States to target these funds to municipalities meeting affordability criteria, as determined by the State.

Q. Do you have any guidance regarding concentrating the grant money or spreading it around?

A. For SRF capitalization grants, EPA will allow States to continue the practice of determining, through State processes, how to distribute SRF funds. SRF funds can be spread around to many communities, or be focused on a few large projects.

Q. Are you assuming there will be sufficient funds in the stimulus package for a new round of brownfield?

A. EPA is considering a number of options in the use of the Brownfields funds.

Q. Is there any prohibition on the states providing a shorter time frame for spending the money?

A. While there is a goal to spend the money as quickly as possible, there is no statutory requirement to spend the money within 12 months of the contract between an SRF assistance recipient and its contractors. The only timing limitation on the contracting funds authorized in ARRA is a requirement to have the money obligated by September 30, 2010.

Q. SRF 50% subsidization grant. Is there a requirement that there be one standard or could there be a different standard?

A. States do not need to choose only one form of additional subsidization.

OMB Questions Part III

Q. Affect on states stabilization funds?

A. Not comfortable talking about states’ stabilization funds.

DEPARTMENT OF HOMELAND SECURITY

DHS Presentation

\$2.75 billion on infrastructure for ports of entry and other security related infrastructure; there will 100s of millions for ports of entry → ports of entry that are old are not good for security but also slow commerce costing millions to states and cities

- Coast Guard gets 142 million to fix bridges
- FEMA has 3 sets of grants – transit security grants, port security, - given competitively
- ICE 20 million in tactical communication

DHS Questions and Answers

Q – MI – can firefighters apply for grants

A – maybe will get back to you

ACCOUNTABILITY

GAO

Targeted areas: small businesses, education and state grants

Also charged with doing a longer study about what the long term effects are of economic downturns and making recommendations for ways to approach downturns in the future.

We will review to determine if more states than just this initial 16 should be used in longitudinal analysis.

Working to coordinate at the federal and local level. Will be deploying to the 16 states within the next week or two. A lot of the money is going through existing programs and we will see how we can leverage the work that is already being done for the upcoming several months.

Goal is to determine the states' planning and decision making and compare that with the intentions of the legislation. Want to ensure the money is adequately dispersed.

On bimonthly basis will be assessing if the funds are having their desired effect.

Will provide the states with regular briefings before they report to congress and states will have the opportunity to comment on that.

Recovery Act Transparency and Accountability Board

Board trying to establish a website that is transparent and user friendly. All Americans will be able to visit recovery.gov. We will be able to achieve unprecedented citizen participation. Want to maximize its use as a transparency tool. Three goals:

1. Information on the website must be easily retrievable and understandable.
2. Public has to have the opportunity to provide feedback.
3. All reports should be posted and updated.

Most IGs spend time detecting fraud, those tools will probably will come into effect. The language of the act is asking the board to minimize fraud and prevent fraud.

Board aims to be as helpful as possible to state and local governments.

Challenges:

1. Data quality- timely and reliable data. Passing back up data is difficult. Lack of procurement professionals.
2. Some level of waste and fraud is inevitable. Board will work to reduce those to levels to as a low as humanly possible.

Q. (Maryland) If you advising governors, what pots of money would you tell them to focus the most on?

A. Developing risk based models. One thing the board can do is develop models and get that out to the states. Board is looking at areas and tapping into local audit community to evaluate where risk is the highest.

Q. How would you approach school boards, they have independent audit options. For example states do not audit Title 1.

A. Where you have normal distribution you need to be clear about accountability. Think about whether you want to make adjustments to the accountability that is in place. The entity responsible for distributing the money has to be accountable for what happens with that money.

Q. (WI) We are bringing in a lot of people to help with the auditing and accountability which costs a lot of money. Will there be some founding to help with these costs?

A. the Board understands what the states are dealing with and to the extent they can they want to help.

Q. What recommendation will you have for different numbers posted on different websites? People will be able to poke holes in the work being done.

A. No answer yet but are looking into it. Maybe this is a good thing, and will point out to us things we would not have seen otherwise.

Q. From a poor state that does not have a lot of money. Everyone will have additional work monitoring. Look for waste where there are reporting requirements that incur additional costs.

A. We will be sensitive to that.

Q. Will there be an attempt to have coordination in reporting across OMB, GAO, Agency IGs, and Congress.

A. We will try and minimize it.

Q. We have agencies that have laid off their entire state auditing agencies. States across the country are having to lay off their back offices. Our auditing agency is a skeleton of what it once was. Have you thought about building in audit funding on the stateside? All the money is enhancing programs or creating new programs.

A. Board did not craft that legislation. GOA is very concerned and wants to be helpful. The thirty IGs who have money are going to be out there in your states. We commit to raising the issue to OMB and others.

Q. How are you going to launch your website? Will there be beta launches? Specifically the reporting piece.

A. We are going to get into this as soon as we can. This is historic and if we do this right this is the kind of website we are going to use forever. The website we have today will not be the kind of website we have two years from now.

Comment (VT): It doesn't help transparency when you don't substantiate where those numbers come from. The website has the numbers of jobs per state, where does this come from?

Q. There are words in the act that can be interpreted different ways (infrastructure). We need clarity.

A. Understood

Q. When will you be in those 16 states?

A. Tomorrow.

Q. In our state we have an independently elected audit general and a comptroller. It is our understanding you reached out to both. Why is that?

A. We are reaching out to anyone who is responsible for oversight in the states.

Q. With this sense of urgency and vendors are flooding the states with reporting. Is there anything OMB can do to stem the tide of that? We may end up buying something that will be unnecessary 3 weeks from now.

A. I would be cautious to put anything together with a vendor proposal. We are trying to put together clear answers in as short a time as possible. We know the longer we wait the less likely we will be to be successful.

