
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

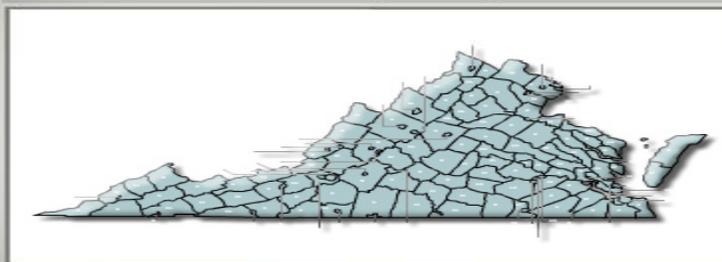
- During February, the **www.stimulus.virginia.gov** website was launched to solicit input from citizens on projects for potential funding - more than 9,000 projects were submitted to the website totaling close to \$466 billion
 - Because discretionary funds were limited in the final ARRA as signed into law, many of these projects cannot be considered for funding

Stimulus.Virginia.gov

New: You can now view allocated stimulus funds by county and city [here](#).

Where is your Money Going?

Amounts by Locality



[View Larger Map](#)

Amounts by Secretariat



Milestone

Message from the Governor



Next steps for Virginia under the American Recovery and Reinvestment Act

Between the launch of Stimulus.virginia.gov on February 10 and the deadline for submissions on March 6, more than 9,000 project proposals were put forward by citizens, localities, and other groups.

Now that the project solicitation phase of Virginia's program to implement the American Recovery and Reinvestment Act (ARRA) has concluded, the Governor's Stimulus Working Group has sent these project proposals to the Cabinet Secretaries who lead Virginia's major executive agencies for review and evaluation. [Read more...](#)

News

Virginia approves localities to receive federal stimulus funds for clean water projects

April 27 - The State Water Control Board has approved the final list of localities that will receive federal stimulus money from the American Recovery and Reinvestment Act through the Virginia Clean Water Revolving Loan Fund for improving wastewater treatment plants and collection systems, Governor Timothy M. Kaine announced today.

- For more information, view the [press release](#).
- [View more Virginia Stimulus news.](#)
- [View Federal Recovery Act news.](#)

Accountability / Transparency

- ▶ [Competitive Grants](#)
- ▶ [Sign Up to Receive Stimulus Email Updates](#)
- ▶ [Memo from the Chief of Staff \(pdf, 41kb\)](#)
- ▶ [View Projects Submitted to the Site](#)
- ▶ [Process for Cabinet-Based Decision Making](#)
- ▶ [Stimulus Committee Contacts](#)
- ▶ [Recovery.gov](#)
- ▶ [Open.Virginia.gov](#)
- ▶ [Commonwealth Data Point](#)
- ▶ [VaPerforms.virginia.gov](#)
- ▶ [Virginia Department of Education's ARRA Site](#)
- ▶ [Coming Soon](#)

Appropriation of ARRA Funding

- The General Assembly action to appropriate the \$4.8 billion in ARRA funding has allowed Virginia to move quickly into implementation
 - Federal rulemaking and guidance has been done incrementally by program

- ARRA funding falls into three categories:
 - Tax and finance actions (which are not appropriated);
 - Competitive programs
 - Increased funding to existing federal programs (the \$4.8 billion)

Key ARRA Tax Provisions

- Adjustments in payroll withholding and other personal income tax provisions
- First-time homebuyer and new car purchase tax credits
- Energy incentives and credits
- Unemployment
- COBRA
- Debt Instruments

ARRA Competitive Programs

- ❑ Almost every functional area has competitive grant programs that federal agencies are implementing
- ❑ Weekly updates on new solicitations are posted to the www.stimulus.virginia.gov website – “Competitive Grants”
- ❑ Competition is open to a variety of entities and depends on the program
- ❑ Significant interest in the Health IT and Broadband Programs – guidance not expected until at least late Summer

Implementation of \$4.8 billion in ARRA Appropriations

- ❑ Conference call with Budget Conferees on May 6
- ❑ Second Report Outlining Actions to date sent May 8

Health and Human Services

- ❑ Medicaid reimbursement from the increased federal share is close to \$300 million as of May 6, 2009
- ❑ Drinking Water State Revolving Fund – \$20.1 million available
 - 240 project applications were scored using approved EPA criteria; 20 top scoring projects totaling \$23.7 million have been posted for 30-day public comment period

Implementation of \$4.8 billion in ARRA Appropriations, cont'd

Environment & Energy

- ❑ State Clean Water Revolving Loan Fund - \$77 million available – projects approved by Water Control Board on April 27
- ❑ Weatherization Program - \$32.7 million available – allocated to existing local agency providers around the state

Transportation

- ❑ CTB scheduled to approve next round of projects on May 21; projects are from list provided to General Assembly on April 6, 2009

Implementation of \$4.8 billion in ARRA Appropriations, cont'd

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 a variety of federal formulas including Title 1 and special education
- The remainder, \$984 million, is part of the Fiscal Stabilization Fund, the “flexible spending” account in the ARRA that must be directed to education
- Appropriation Act directs that the \$984 million be used to restore \$365.0 million in FY 2010 for K-12 education and like amount in FY 2011; remainder is to higher education (\$126.7 million each year)

Fiscal Stabilization Fund Calculation

- The Federal Department of Education released instructions on the phase 1 application process; phase 1 includes FY 2009 and 2010 funding
- Second phase application will be for FY 2011 – likely due in Fall 2009 before next session
- Federal guidance gives states flexibility for appropriating between fiscal years

Fiscal Stabilization Fund Calculation, cont'd

Calculation Requirements

- Allowable use of the Fund is based on funding shortfalls in K-12 and higher education
- 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

Fiscal Stabilization Fund Calculation, cont'd

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

2009 Appropriation Act (Ch. 781) approved amounts including FY 11 assumption		
	K-12	\$730.4
	Higher Education	\$253.5
Shortfall Calculation Based on 2008 and 2009 appropriation actions		
	K-12	\$790.5
	Higher Education	\$193.4
Shortfall Calculation Based on 2008 appropriation actions		
	K-12	\$684.5
	Higher Education	\$299.4
Fiscal Stabilization Fund Total For Appropriation		\$983.9

ARRA K-12 Bond Programs

- ARRA authorizes Virginia to receive \$20 million in additional Qualified Zone Academy Bond Program (QZAB) – used for renovation and repair not new construction
 - Distribution to local school divisions will follow existing policy - Economically distressed areas and free lunch program participation of more than 50%
 - Localities must find issuer who receives tax credits instead of interest payments; must be private involvement

- ARRA authorizes Virginia to receive close to \$190 million in Qualified School Construction Bonds
 - Will provide no interest debt to local school divisions
 - Do not require private involvement and can be used for new construction
 - Reviewing Literary Fund 1st Priority Waiting List projects to determine eligibility – current list includes \$191 million of approved projects

ARRA Transparency & Accountability Issues

- OMB guidance is just now forthcoming on reporting requirements including job methodology – David Von Moll, the State Comptroller, is leading this effort
- GAO has completed its first audit of 16 states implementation – Virginia is not one of the selected states – report is on www.stimulus.virginia.gov

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