

**American Recovery and Reinvestment Act (ARRA) Activity in Virginia
(April 15th, 2009)**

Overview and Status of ARRA funding in Virginia

Federal Recovery Act (ARRA) Funds in Virginia Budget (Item 475.5) - Status as of April 15, 2009

Program/Source	ARRA Allocations to Virginia	State Directed Spending in FY 2009 & FY 2010	Reserved for FY2011
Medicaid - Federal Medicaid Assistance Percentage (Item 306)	1,281,707,153	962,460,385	319,246,768
Medicaid - Disproportionate Share Hospitals	4,344,643	4,344,643	-
Foster Care and Adoption (Item 342)	13,360,349	11,555,335	1,805,014
Immunization	5,621,650	5,621,650	-
Fiscal Stabilization - Education (Item 475.5 paragraphs 3 & 4)	983,865,903	491,932,951	491,932,952
Fiscal Stabilization - General	218,904,149	109,452,074	109,452,075
Title 1 - Grants to Local Education Authorities	165,311,666	to local entity	-
Title 1 - School Improvement	47,913,000	to local entity	-
Special Education - Part B	281,415,033	to local entity	-
Special Education - Part B Preschool	9,470,492	to local entity	-
Special Education - Part C (Item 316)	10,265,580	to local entity	-
Educational Technology	10,801,292	to local entity	-
Education For Homeless	1,009,000	to local entity	-
Work Study	3,743,333	to local entity	-
Vocational Rehabilitation (Item 475.5 paragraph 10)	11,601,624	11,601,624	-
Independent Living (Item 475.5 paragraph 9)	342,443	342,443	-
Highways and Bridges	694,461,000	694,461,000	-
Transit Capital Grants - Urban	93,340,956	to local entity	-
Transit Capital Grants - Rural	18,555,163	18,555,163	-
Rail Modernization - Fixed Guideway	4,209,386	4,209,386	-
Drinking Water State Revolving Fund (Item 298)	20,761,000	2,600,000	-
Clean Water State Revolving Fund	80,826,900	80,826,900	-
Weatherization	96,931,634	to local entity	-
State Energy Program	69,266,744	69,266,744	-
Emergency Food and Shelter	1,247,314	to local entity	-
The Emergency Food Assistance Program	1,704,161	1,704,161	-
Food Stamp Administration	5,300,000	5,300,000	-
School Lunch Equipment	2,194,703	2,194,703	-

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Elderly Nutrition (Item 475.5 paragraph 6)	3,029,000	3,029,000	-
Childcare (Item 475.5 paragraph 12)	37,892,000	37,892,000	-
Head Start	11,179,767	to local entity	-
Community Services Block Grant (Item 344)	16,009,000	16,009,000	-
Public Housing Capital Fund	51,212,000	to local entity	-
Community Development Block Grant - Entitlement	11,311,643	to local entity	-
Community Development Block Grant - Non -Entitlement	5,331,340	5,331,340	-
HOME Investment Partnerships Program	44,189,767	to local entity	-
Homelessness Prevention	24,934,000	to local entity	-
Crime Victims Assistance Grants	1,013,000	1,013,000	-
Crime Victims Compensation	345,687	345,687	-
Internet Crimes Against Children (Item 395)	1,901,510	1,901,510	-
Violence Against Women	5,516,971	5,516,971	-
Byrne Justice Assistance Grant (Item 395)	23,300,000	23,300,000	-
Byrne Justice Assistance Grant to Local Entities	15,787,574	to local entity	-
Unemployment Insurance Administration	13,737,000	13,737,000	-
Employment Service	8,596,000	8,596,000	-
Community Service for Older Americans	2,570,474	2,570,474	-
Workforce Investment Act - Adult	5,280,438	5,280,438	-
Workforce Investment Act - Youth	13,113,750	13,113,750	-
Dislocated Workers	13,564,389	13,564,389	-
Food Stamp Benefits (Item 475.5 paragraph 13)	355,000,000	to individuals	-
Child Support Enforcement (Item 340)	40,400,000	11,550,000	-

Total	\$ 4,843,691,581	2,633,848,381	922,436,809
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Key Points To Take Away From Funding Table

Item 475 of the Appropriation Act outlines the appropriation and use of the amounts shown in the Funding Table. Item 475 gives the Governor the authority to transfer the appropriation to the agency and program to which the funding has been provided. As actual implementation occurs by the federal agencies, the funding amounts may vary slightly.

The Funding Table column titled “State Directed Spending in FY 2009 & FY 2010” outlines funding that will be appropriated and administered by a state agency. If the column shows “to local entity” or “to individuals”, this means that a non-State agency is receiving the funding directly from the federal agency and/or that the state agency does not have a role in spending decisions at this time.

The “flexible” funding available to the Commonwealth - “Fiscal Stabilization – General” - in the Funding Table totals \$218.4 million. Of the \$218.4 million, \$109 million has been appropriated for spending in FY 2010 by the General Assembly for specific purposes in Item 475 paragraph B5. The remaining \$109 million is part of the balance that will be available for spending in FY 2011. As a result, there are no funds outside of a specific program area available that the Governor can allocate for any discretionary purpose.

For the majority of the \$4.8 billion, federal formulas and allocation rules require the distribution of funding to localities, implementation entities, and programs. For example, the \$51.2 million in Public Housing Capital funding will be distributed by the Department of Housing and Urban Development to the public housing agencies around Virginia. Other funding, such as Byrne Justice Assistance Grants are divided between the Commonwealth and local agencies.

Of the \$4.8 billion, there are five major program areas where a state agency, governing board, and the Governor will make individual projects selections in the coming months. The process being followed for these program areas is collaborative including public outreach and involvement. These program areas are:

<u>Program Area</u>	<u>Funding</u>	<u>Project Approval</u>
1. Highways and Bridges Planning Organizations	(\$694,461,000)	Commonwealth Transportation Board and Metropolitan
2. Clean Water Revolving Fund	(\$80,826,900)	State Water Control Board
3. Drinking Water Fund	(\$20,761,000)	Health Department
4. Transit Capital Grants – Rural	(\$111,896,119)	Commonwealth Transportation Board
5. State Energy Programs	(\$69,266,744)	Department of Mines, Minerals and Energy

For each of these program areas, there are existing federal rules and requirements that govern project selection.

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Virginia ARRA Accomplishments To Date

- The Governor established an ARRA Implementation Team, chaired by Wayne Turnage, Chief of Staff, and included members with subject matter expertise in each functional area covered by ARRA.
- Governor provided required ARRA certification to begin receipt of funds on March 3, 2009 with other individual program certifications required on a more piecemeal basis
- A Web site was hosted to solicit requests from the state agencies, localities, interest groups, and the public at-large. More than 9,000 projects were submitted to the website totaling close to \$466 billion were submitted during February and early March. The Web site project requests are being vetted by subject matter experts and Secretaries.
- This Web site has now transitioned from a portal for data entry to a site that provides information to citizens and tracks the allocation of ARRA funds in Virginia by locality and eventually by program. The website address is: <http://www.stimulus.virginia.gov>
- The website is updated at least weekly and includes information on Competitive Grants available under the ARRA.
- Regular meetings are being held with the Virginia Association of Counties and Virginia Municipal League as well as the General Assembly's Budget Conferees.
- ARRA Implementation Team members are making presentations on stimulus to a variety of groups and are regularly meeting with local governments, businesses, legislators, and citizens regarding possible projects and answering questions

Virginia ARRA Health and Human Service

- 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 as required by Federal Law, Virginia's increased Medicaid funding is being collected – about \$240 million as of April 1
- Other HHS programs are citizen based services with Food stamp benefits - \$355 million began flowing April 1

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Virginia ARRA Education Activity

- K-12 Education receives approximately \$1.3 billion in funding
- 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 education spending” account in the ARRA
- The \$984 million was appropriated by the General Assembly to restore \$365.0 million in FY 2010 for public education and like amounts in FY 2011. The remainder was appropriated to higher education for similar restorations.
- 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 – a dedicated website was established for this purpose
- Secretary of Finance and State Superintendent of Public Instruction are working jointly on the Virginia’s application for Fiscal Stabilization Fund dollars -- the first phase – which is due to the federal Education Department this month

Virginia ARRA Transportation Activity

- Recovery Act includes \$811 million for transportation – all modes with \$695 million for federal highway funding
- Transportation projects are being selected by Commonwealth Transportation Board
- List of potential projects under consideration by the Commonwealth Transportation Board can be found on the stimulus website

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Virginia ARRA Natural Resource and Energy Activity

- 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
- The Department of Health is reviewing the 400 applications received for the Drinking Water Revolving Fund appropriation. Initial project prioritization should occur by May 1.
- Virginia's application for the State Energy Program has been submitted and is based on the State Energy Plan. Once approved by the federal Department of Energy, which is expected in July, the project application processes will begin.
- There are other sources of funding in the ARRA that are not reflected in the \$4.8 billion even though it will be administered by the Department of Environmental Quality. Two such federal programs, Leaking Underground Storage Tank (LUST) and State Clean Diesel Grant Programs, are in the process of having projects selected and approved by the Environmental Protection Agency. For the LUST Program, \$4.6 million will be distributed to individual projects and for the Diesel Grant Program, \$1.7 million will be available to entities within Virginia.

Virginia ARRA Unemployment and Workforce Insurance Activity

- 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
- COBRA benefits are being extended to laid off employees in small businesses (defined as 20 or less employees)
- Unemployment modernization – Virginia will receive \$65 million in federal 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 was not accepted by the General Assembly
- Governor's Workforce Sub cabinet will recommend uses of \$4.8 million in discretionary Workforce Investment Act in next 30 days.

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Key Upcoming Meetings

April 14 – Petersburg Town Hall – Ric Brown, Craig Burns, and Dietra Trent

April 16 - Agency Head Meeting

April 20 – Wytheville – 9th Congressional District Town Hall – Barbara Reese, Danny LeBlanc, Peter Blake;
Steve Walz

April 20 – Lynchburg Area Town Hall – Barbara Reese

April 29 – White House Czar Meeting

May 1 – Richmond CEO Meeting – Barbara Reese

Recent Key Federal Actions

OMB Releases Additional Guidance. Last Friday, the Office of Management and Budget (OMB) released “Update Implementing Guidance for the American Recovery and Reinvestment Act of 2009.” This is the second installment of detailed government-wide guidance for carrying out programs and activities enacted in the Recovery Act. The guidance is meant to supplement and amend earlier guidance released on February 18. This new section contains reporting and registration requirements under Section 1512 of ARRA, buy American requirements, wage rate requirements and single audit information for ARRA fund recipients. OMB’s guidance is available on its Web site at <http://www.recovery.gov/sites/default/files/m09-15.pdf>. Also, <http://www.recovery.gov/?q=node/317>

Buy American guidance under the Recovery Act – An interim federal regulation and interim OMB guidance have been issued to implement the "buy American" requirement in the American Reinvestment and Recovery Act. Both provide for the application of the "buy American" requirement in a manner consistent with U.S. obligations under international agreements

Competitive Grant Announcements and other Program Announcements can be found at the www.stimulus.virginia.gov website or at www.recovery.gov