Stimulus Spending:
Using the Recovery Act to
Respond to the Economic Crisis

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6th Annual IBM Cognos
Government Forum

Agenda

- What is the Recovery Act?

- How much and what kind of funds are in the Recovery Act?

- Recovery Act Implementation by Federal agencies

- Recovery Act Reporting

The American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act), Public Law 111-5

Purpose

- Preserve / create jobs and promote economic recovery
- Assist those most impacted by the recession
- Provide investments needed to spur technological advances in science and health
- Invest in transportation, environmental protection, and other infrastructure
- Stabilize state and local government budgets

General principles

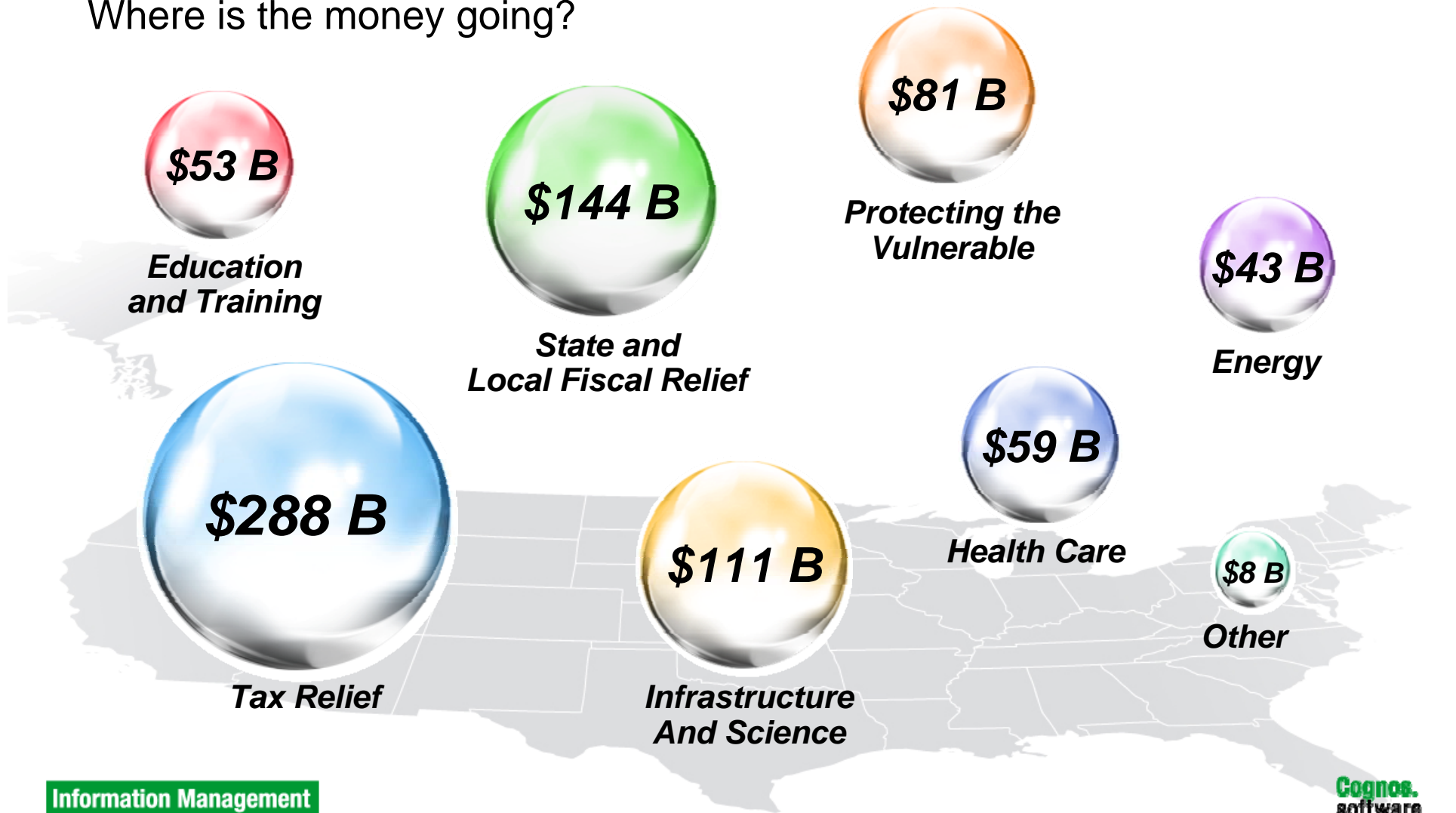- Begin expenditures and activities as quickly as possible, consistent with prudent management

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Recover Act Goals

- Create or save 3.5 million jobs

- Computerize Americans' health records

- Revive and capitalize renewable energy industry

- Weatherize 75% of federal buildings and
  1 million homes

- Fund higher Pell grants for 7 million students
  and new education tax cut for 4 million students

- Largest ever funding crease for national's roads,
  bridges, and mass transit systems

- $800 tax credit for 129 million working
 households and expand Child Tax Credit

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Recovery Act Funds

Where is the money going?

$81 B

$53 B

Protecting the Vulnerable

$144 B

Education and Training

$43 B

$59 B

State and Local Fiscal Relief

Energy

$288 B

$111 B

Health Care

$8 B

Other

Tax Relief

Infrastructure And Science

Recovery Act Appropriations

Recovery Accountability and Transparency Board
$84 million

Government Accountability Office
$25 million

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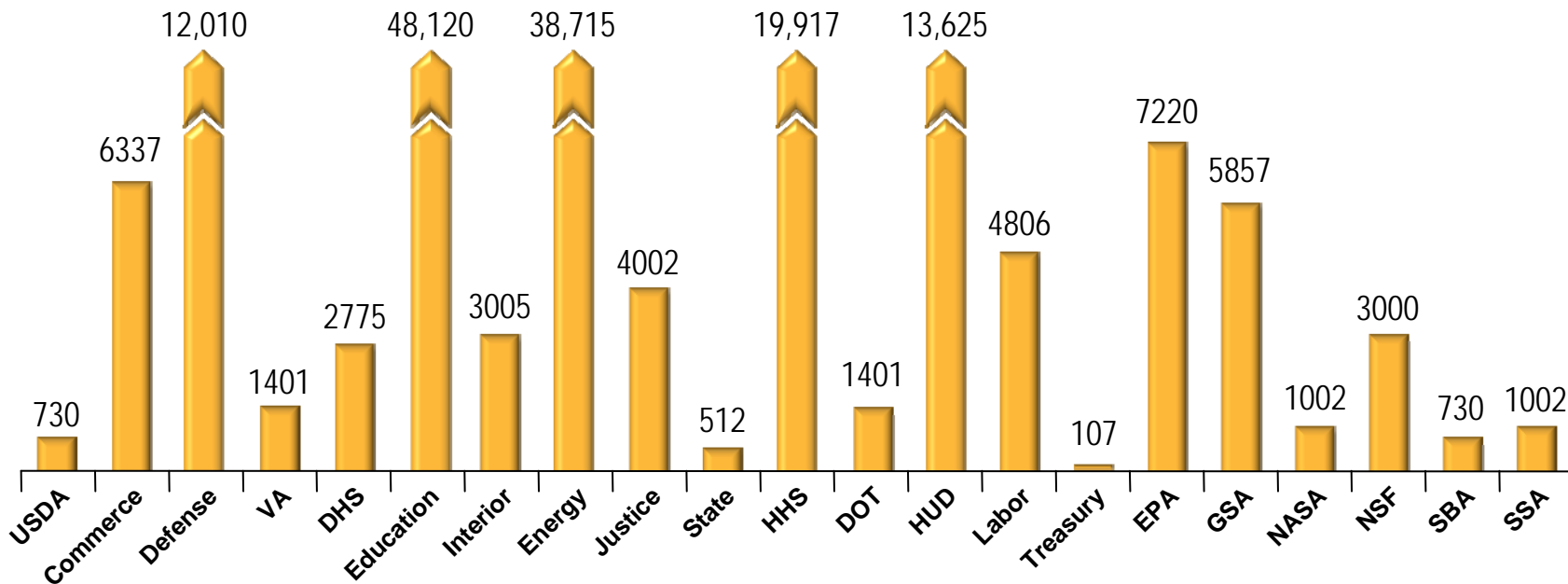
Recovery Act Funds

EPA

- **$20 M**   IG
- **$600 M**   Superfund
- **$200 M**   LUST
- **$6.4 B**   State and Tribal Assistance Grants
  - **$4.0 B**   Clean Water State Revolving Funds
  - **$2.0 B**   Drinking Water State Revolving Funds
  - **$300 M**   Diesel Emission Reduction Act
  - **$100 M**   Brownfields Projects

Transparency and Oversight

- Certification

- Reports

- IG Reviews

- RAT Board

  – Website

- Separate Funding Accounts

- Protecting Whistleblowers

- Preference for fixed-price
  contracts awarded competitively

  – List on website those
    that are not

General Provisions

- Preference for activities started and completed expeditiously

  – Goal: 50% of funds for activities initiated within 120 days

- Funds available until 30 Sep 10, unless otherwise noted

- Cannot be used for:

  – Casinos

  – Aquariums and zoos

  – Golf courses

  – Swimming pools

General Provisions (cont'd)

- General contracting requirements
  - Buy American
  - Prevailing wage rates
  - Environmental concerns
  - Minority, small business, etc preferences
- Certification by governor or state legislature
- 1% transfer authority

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Other Funding

- Tax provisions

- Unemployment benefits

- Health care

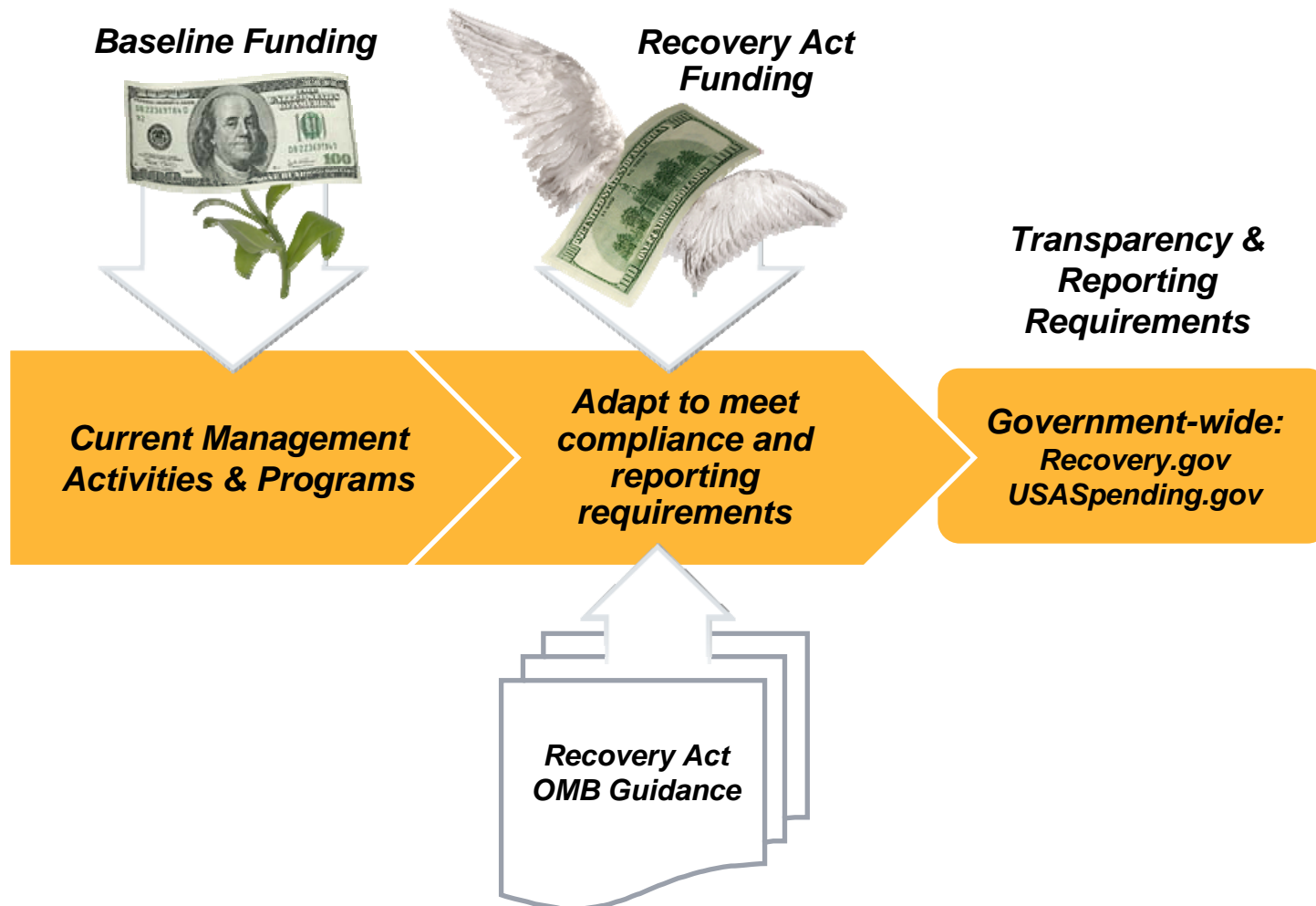- State Fiscal Relief

- Broadband

Recovery Act Implementation by Federal Agencies

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The Challenge

Baseline Funding

Recovery Act Funding

Transparency & Reporting Requirements

Current Management Activities & Programs

Adapt to meet compliance and reporting requirements

Government-wide: Recovery.gov USASpending.gov

Recovery Act OMB Guidance

Recovery Act Dichotomies

ON ONE HAND	ON THE OTHER
Spend quickly	• Competitive, fixed-price contracts • Merit-based grants and federal assistance • Meet Recovery Act goals • Small business preferences • No imprudent projects
Continue to manage current program	• High visibility funds • Significant funding amounts • Detailed program plans needed • Detailed weekly reporting
Get input from stakeholders	• Don't talk to registered lobbyists

OMB Guidance Goals

Goal 1	Funds are awarded and distributed in a **prompt, fair, and reasonable** manner
Goal 2	The recipients and uses of all funds are **transparent to the public**, and the public benefits of these funds are reported clearly, accurately, and in a timely manner
Goal 3	Funds are used for authorized purposes and instances of **fraud, waste, error, and abuse are mitigated**
Goal 4	Projects funded under this Act **avoid unnecessary delays and cost overruns**
Goal 5	Program goals are achieved, including specific program outcomes and **improved results on broader economic indicators**.

Goal 1
Prompt, fair, and reasonable distribution of funds

REQUIREMENTS

Uniquely code Recovery Act funds in agency systems

Maximize competitive awards

Obligate and expend funds quickly

Identify distribution streamlining possibilities (existing contracts/grants, limited competition)

CRITICAL COMPETENCIES

Budget execution for Recovery Act funds

Recovery Act reporting requirements identified in all solicitations and awards

Detailed planning for contracts, grants, and loans

Obligation and expenditure reports

How to measure
Prompt, fair, and reasonable distribution of funds

Competitive Opportunities Maximized	Funds Obligated Timely	Funds Expended Timely	Undelivered Orders Minimized
• Percent of Obligated Recovery Act Dollars • Competed • Awarded on fixed-price contracts • Discretionary grant dollars competed	• Percent of funds obligated according to obligation plan	• Percent of funds expended according to outlay plan	• Percent and amount of funds within specific ranges

Goal 2

Use of funds is transparent to the public

REQUIREMENTS

Agency websites / detailed public reporting to recovery.gov

Report each recipient / sub-recipient transaction

Pull data and submit from multiple sources

Verify data accuracy

COMPETENCIES

Business intelligence systems implementation

Data verification and validation

Geospatial information reporting

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Goal 3

Funds are used for authorized purposes

REQUIREMENTS

Internal controls to minimize waste, fraud, and abuse

Collect and report risk mitigation efforts, including:

✓ Audits and investigations to minimize waste, fraud, and abuse
✓ Improper payments minimized

COMPETENCIES

Independent verification of program policies and procedures

Internal control assessment and implementation

Improper payment reviews

Audit and investigation support

Goal 4
Avoid unnecessary delays and cost overruns

REQUIREMENTS
Milestone tracking
Process for holding project managers accountable
Regular progress reporting

COMPETENCIES
Earned Value Management implementation
Program management office support services
Workforce analysis and reporting

Goal 5
Results

REQUIREMENTS
Report success achieving Recovery Act goals
Number of jobs created / retained
Other quantifiable outcomes

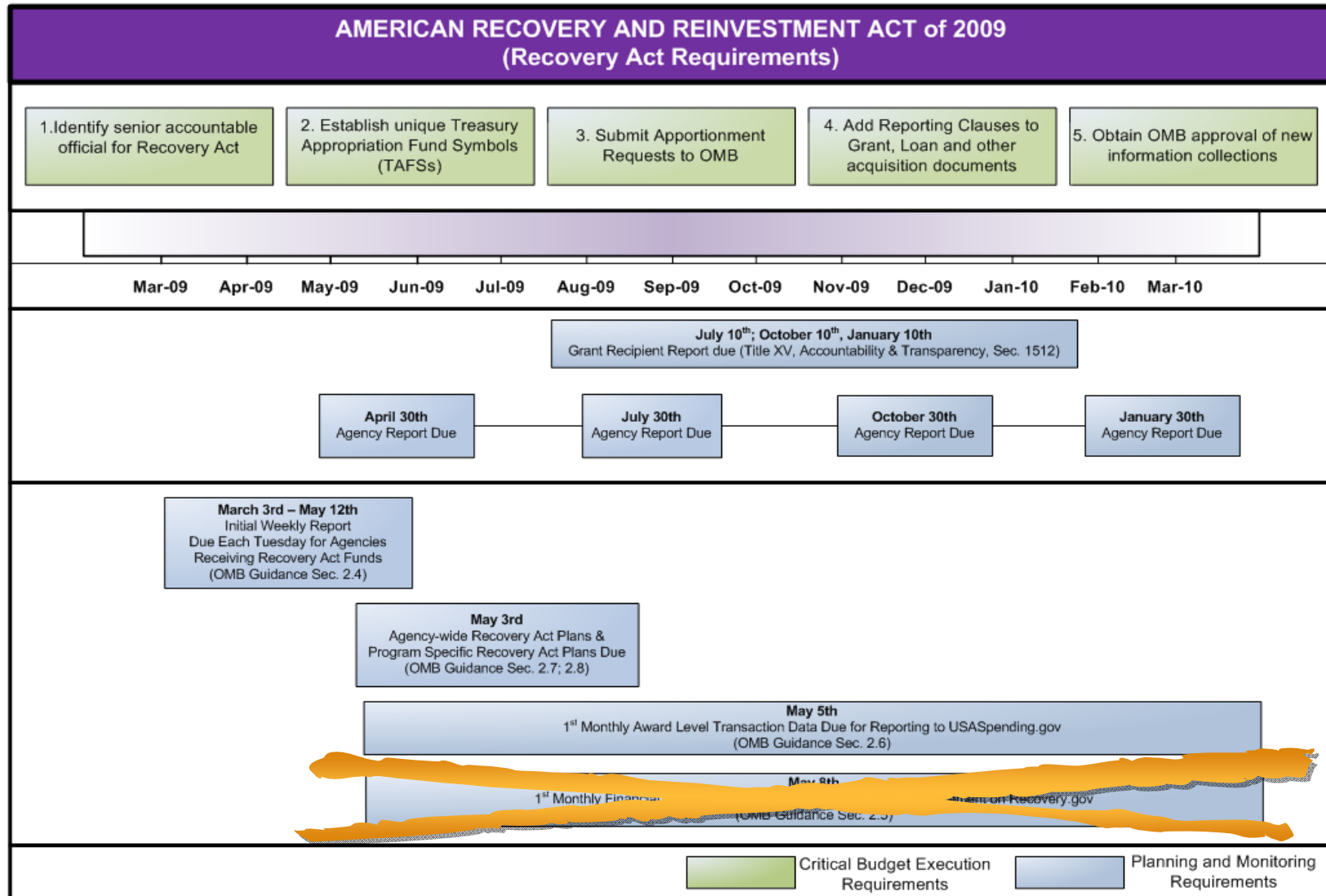| COMPETENCIES |
| --- |
| Performance measurement / reporting |
| Program evaluation |
| Economic growth / job creation modeling (e.g., EDA) |
| Cost measurement / ROI |

Recovery Act Reporting

AMERICAN RECOVERY AND REINVESTMENT ACT of 2009
(Recovery Act Requirements)

1. Identify senior accountable official for Recovery Act

2. Establish unique Treasury Appropriation Fund Symbols (TAFSs)

3. Submit Apportionment Requests to OMB

4. Add Reporting Clauses to Grant, Loan and other acquisition documents

5. Obtain OMB approval of new information collections

| Mar-09 | Apr-09 | May-09 | Jun-09 | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 | Jan-10 | Feb-10 | Mar-10 |

July 10th; October 10th, January 10th
Grant Recipient Report due (Title XV, Accountability & Transparency, Sec. 1512)

April 30th
Agency Report Due

July 30th
Agency Report Due

October 30th
Agency Report Due

January 30th
Agency Report Due

March 3rd – May 12th
Initial Weekly Report
Due Each Tuesday for Agencies
Receiving Recovery Act Funds
(OMB Guidance Sec. 2.4)

May 3rd
Agency-wide Recovery Act Plans &
Program Specific Recovery Act Plans Due
(OMB Guidance Sec. 2.7; 2.8)

May 5th
1st Monthly Award Level Transaction Data Due for Reporting to USASpending.gov
(OMB Guidance Sec. 2.6)

May 8th
1st Monthly Financial ... on Recovery.gov
(OMB Guidance Sec. 2.5)

Critical Budget Execution Requirements

Planning and Monitoring Requirements

* - OMB to issue additional ARRA Guidance.

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Questions

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