

American Recovery and Reinvestment Act

Presented by:

Richard Hopf
Acquisition Solutions, Inc.



FORUM 2009
Mapping Strategies in Uncertain Times



Background

ARRA Objectives

- Jumpstart U.S. Economy by infusing capital - \$787 B
- Preserving & creating jobs
- Funding (directly & indirectly) activities deemed critical
 - Infrastructure, Education, Energy, Health, Science

Means

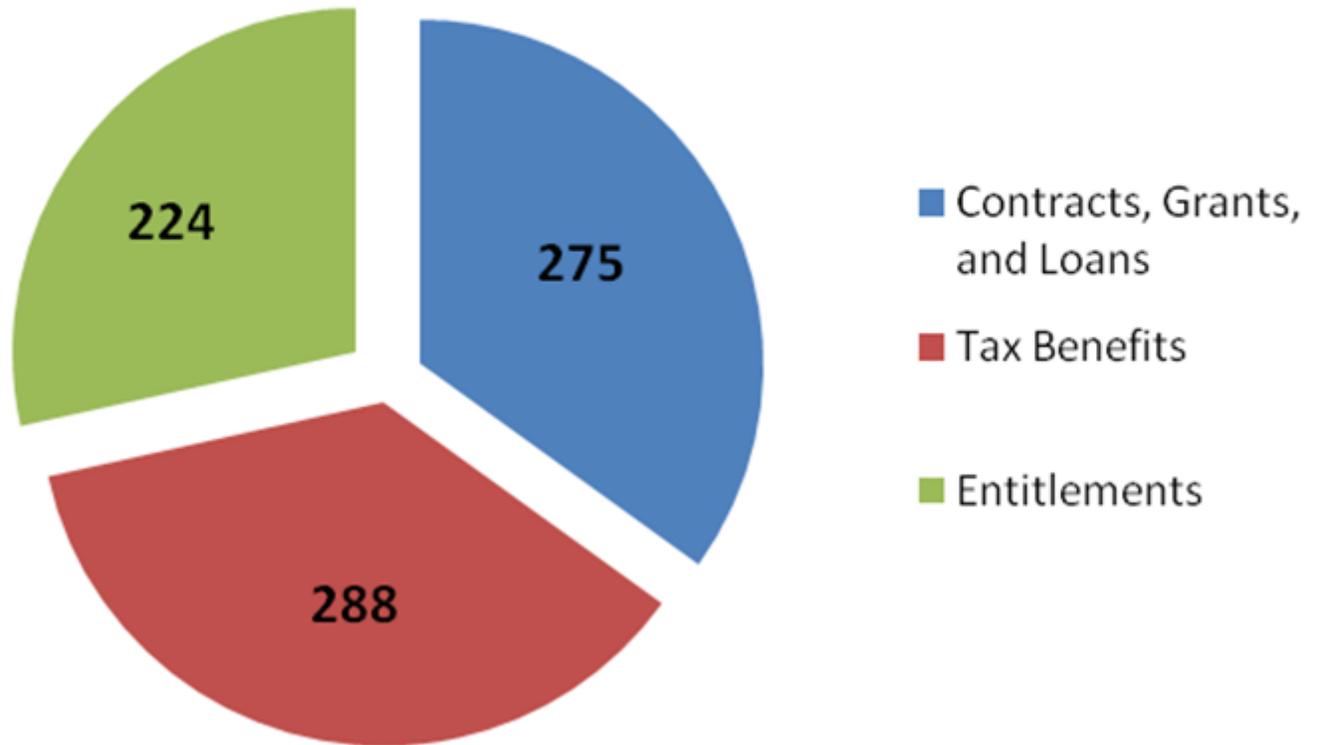
- Tax Credits / Cuts
- Loans / Loan Guarantees
- Financial Assistance (Grants)
- Contracts
- Entitlements

Funding by

- 28 Federal agencies

Background

ARRA Funding, In Billions





Background

Public/Fed Concerns

- Will it be effectively managed?
- Will there be public accountability?
- Will the results be demonstrable?
- Will funding decisions be merit-based and funding activities meritorious?
- Will we repeat the “mistakes” of past exigency spending



How its Managed



- President
- Economic Recovery Advisory Board
- Recovery Accountability & Transparency Board
- OMB
- Agency Senior Accountable Official
- Agency Senior Management Council
- Agency Recovery Act Webmaster
- GAO / OIG

Recovery Accountability and Transparency Board



Purpose

- To provide transparency to the use of Recovery Act funds: Recovery.gov ; Federalreporting.gov
- To prevent and detect fraud, waste, and mismanagement: OIGs





Recovery and Accountability Board

Composition

- Chairman
- 12 Inspectors General
- 3 Committees
 - Recovery.gov
 - Recovery Funds Working Group
 - Accountability

Accountability: Investigations



- Predictive analysis to target areas of risk and to set priorities
- Use agency OIG staff for field work
- Coordinated effort with state and local oversight community
- Scope: Fraud; quality of instruments; competition



Accountability: Investigations

Problems identified so far:

- Data system errors
- Contracting officers exceeding authority
- Debarred contractors receiving funds
- Fictitious companies
- Complimentary bids
- Misuse of small business fronts
- Failure to report
- States co-mingling of funds w/o adequate controls

The war stories.....



Accountability: Investigations

Next big thing:

- Errors in jobs created
- Impact
- Merit

Why?



Federal Recipient Reporting (Grants)

- Select financial and jobs reporting must be reported to an OMB managed data base (Federal Reporting.gov)
- Recipients must register
- Reports submitted 1 to 10 days after the end of every fiscal quarter starting October 10,2009 for FY09 obligations (January 2010 for FY10 obligations) and thru completion of project
- Recipients may review and edit from day 11-21
- Additional reporting may be required by funding agency



Reporting Definitions

- **Prime recipient** -A non-federal organization receiving Recovery Act funding (grants, loans, or cooperative agreements) directly from the Federal Government.
- **Sub-recipient** -A non-federal organization spending Federal awards received from another organization to carry out a Federal program –not a program beneficiary.
- **Vendor** -A dealer, distributor, merchant, or other seller providing goods or services that are required of the conduct of a Recovery program.



Reporting Definitions

- **Full time equivalent**-The estimate of the number of jobs required by the Recovery Act should be expressed as “full-time equivalents” (FTE), which is calculated as total hours worked in jobs created or retained divided by the number of hours in a full-time schedule, as defined by the recipient. The FTE estimates must be reported cumulatively each calendar quarter.



Reporting Data

- Data related to Prime recipient
- Data related to Sub-recipient
 - Primes can delegate reporting to sub
 - Except for sub-recipient jobs created
- Data related to Vendors paid more than \$25K
- Data related to jobs created or saved
 - Reported as a single number
 - Reported as FTE
 - Actual, direct jobs only
 - Can request use of a statistical estimating methodology



Reporting Data

- Federalreporting.gov gets “jiggy” with it:
 - Webinars on You Tube
 - Downloadable user guide
 - Service desk
 - 3 Alternatives for reporting: on line, Excel upload; XML schema
 - Feds directed to shake the trees



Reporting Direct Jobs

- **WHAT'S A DIRECT JOB (reported)** Any job that is *directly funded by Recovery Act on the grantee or sub-grantee level.*
- **Example:** The Commonwealth receives a \$189M grant from HHS. It hires five FTE to administer the program. It distributes grants to 50 sub-grantees. Virginia will report job creation of 5 FTE and will provide the total direct employment impact of the 50 grants. Virginia reports sub-jobs in FTEs and should ask Sub-Recipient and Vendors how many jobs were created/retained.

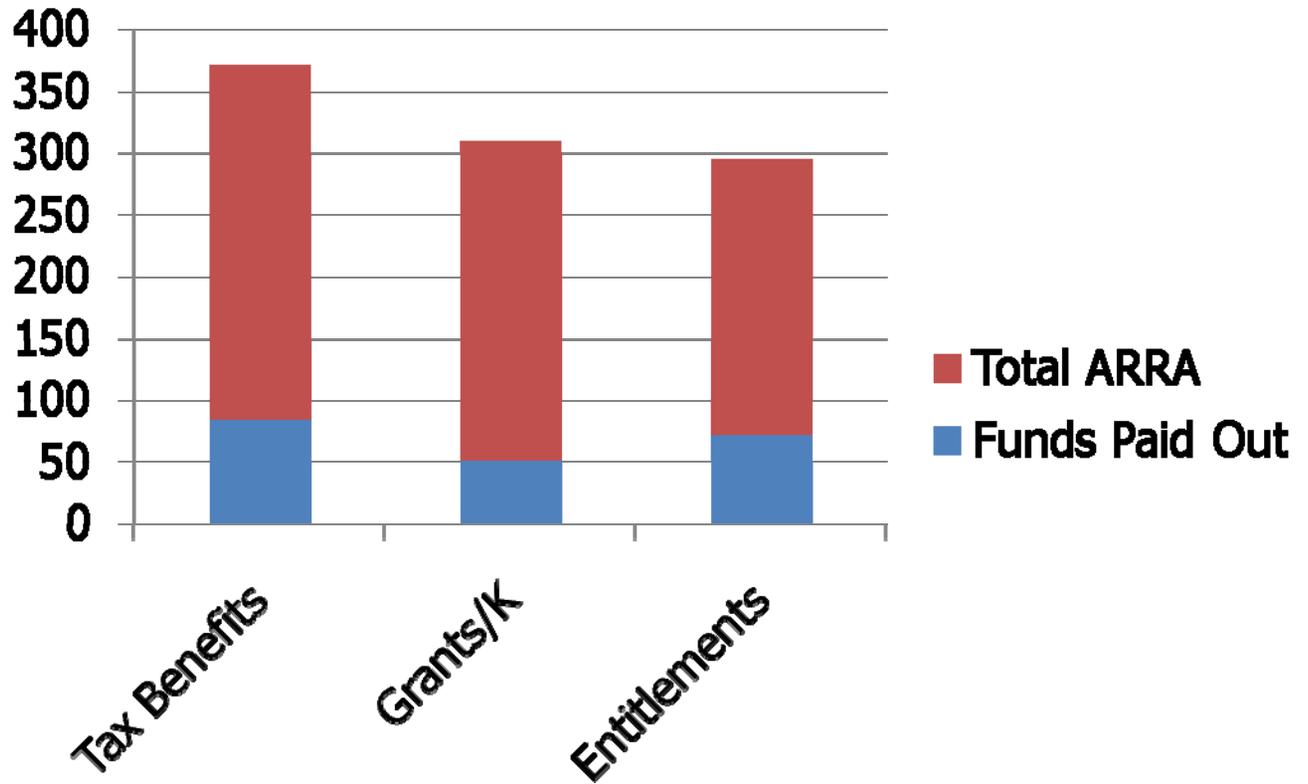


Indirect Jobs

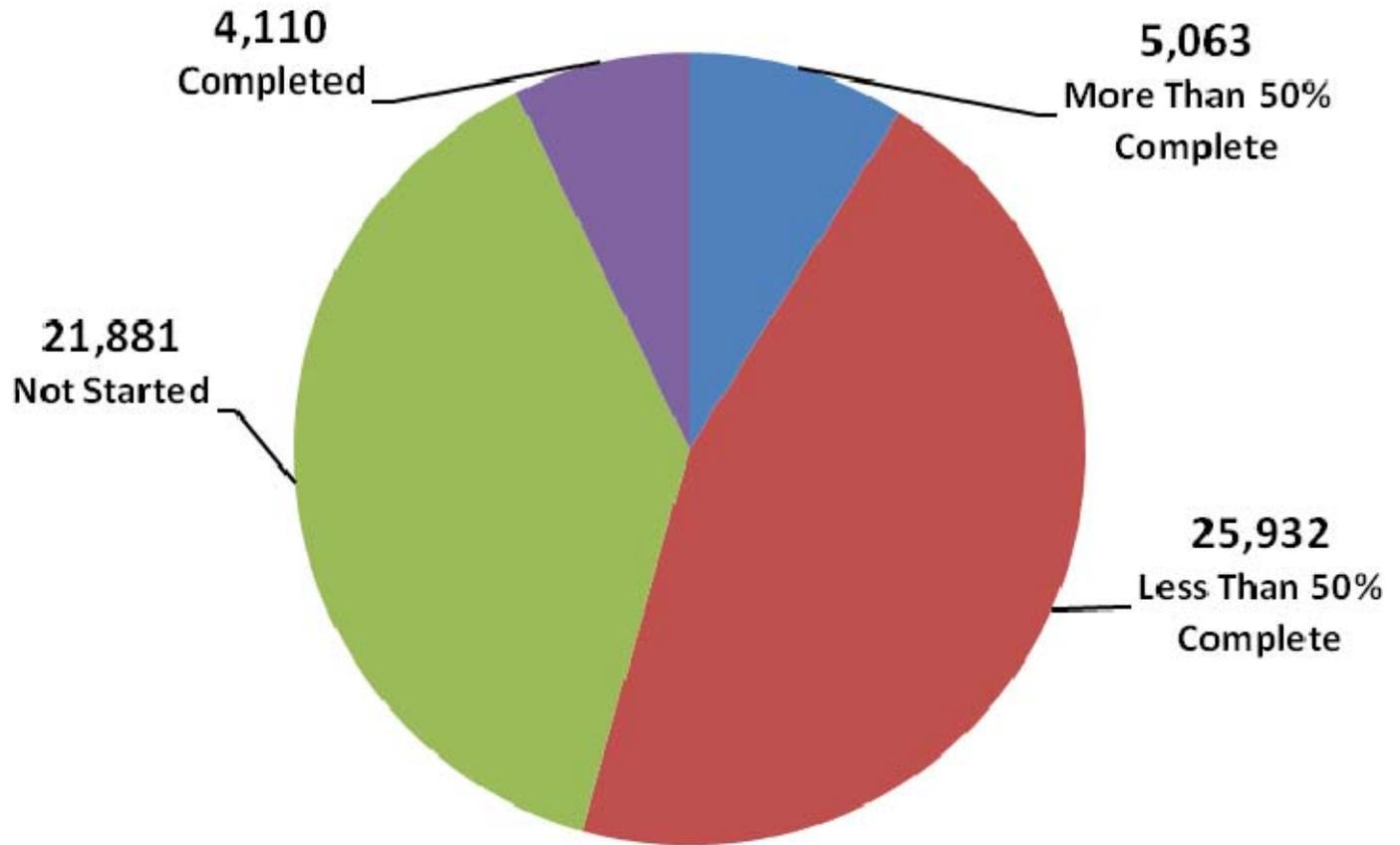
- **WHAT'S AN "INDIRECT" JOB (not reported)**
- **Employment impact on materials suppliers and service providers.**
 - **Example:** Home Depot hires more staff to handle suppliers receiving Virginia contracts.
- **Employment impact on local community ("induced" jobs).**
 - **Example:** A restaurant hires extra staff near a Virginia construction site as an indirect result of a project using Recovery funds.
- **Employees who are not directly charged to Recovery Act activities, even if they provide indirect support.**
 - **Example:** Clerical/admin staff, review board staff members, departmental administrators.



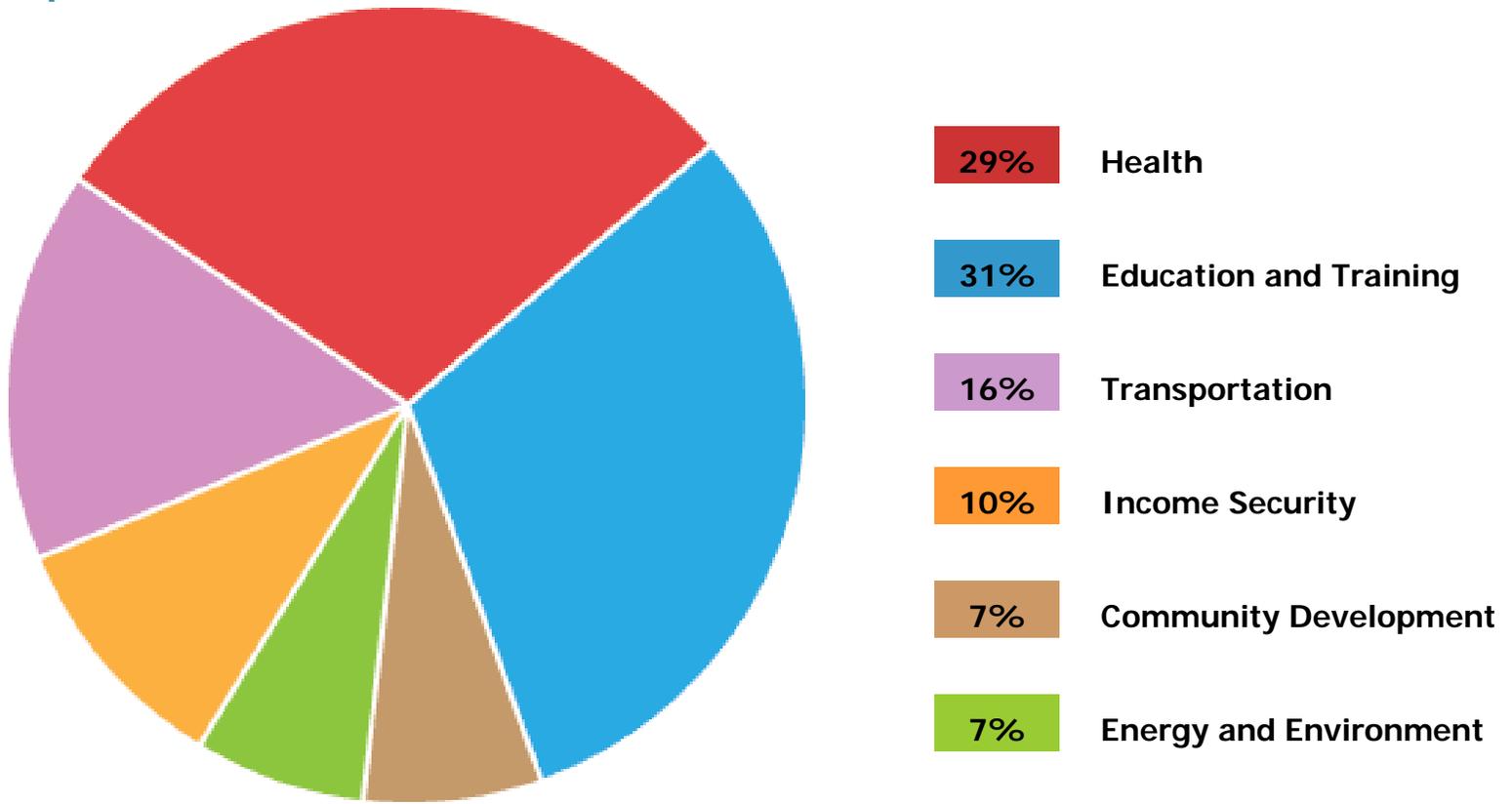
Where do we stand?



Award Status



State Share of ARRA Spending



Source: U.S. Government Accountability Office



Virginia

- White House estimates that approximately \$4.8 B of direct ARRA funding will come to the Commonwealth
- White House estimates that Approximately 93,000 jobs will be created or saved as a result
- Virginia estimates that most of the \$ will come to/thru Health and Human Resources, Education, and Transportation programs



Virginia - So Far

As Reported By Feds

Type	#	\$\$
Contracts	465	\$819 M
Grants	1,332	\$3.6 B
Loans	796	\$5 B

As Reported by VA

Type	#	\$\$
Contracts	603	\$529 M
Grants	2,223	\$2.9 B
Loans	15	\$32 M

VA jobs created: 8,622



Final Thoughts

- ARRA as a vision of the future
- Setting expectations
- The pig in the snake

Questions?





- Richard Hopf
- 703.253.6578
- Rhopf@acqsolinc.com
- www.acquisitionsolutions.com