

Stimulus Oversight Commission

The American Recovery and Reinvestment Act in Pennsylvania: Oversight, Transparency and Accountability

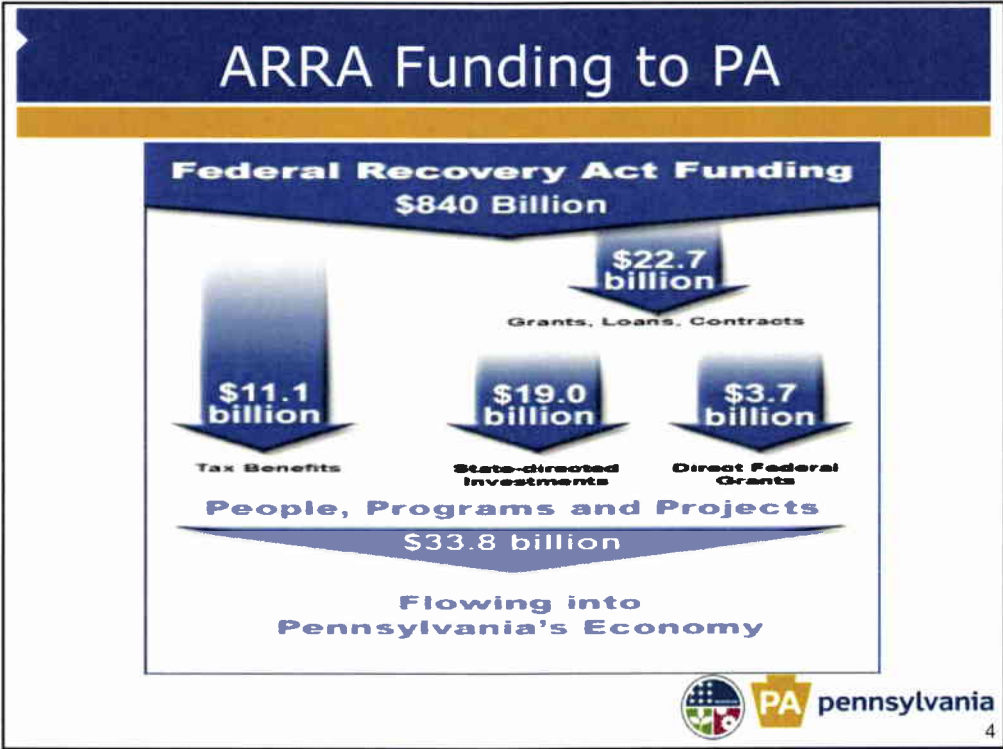
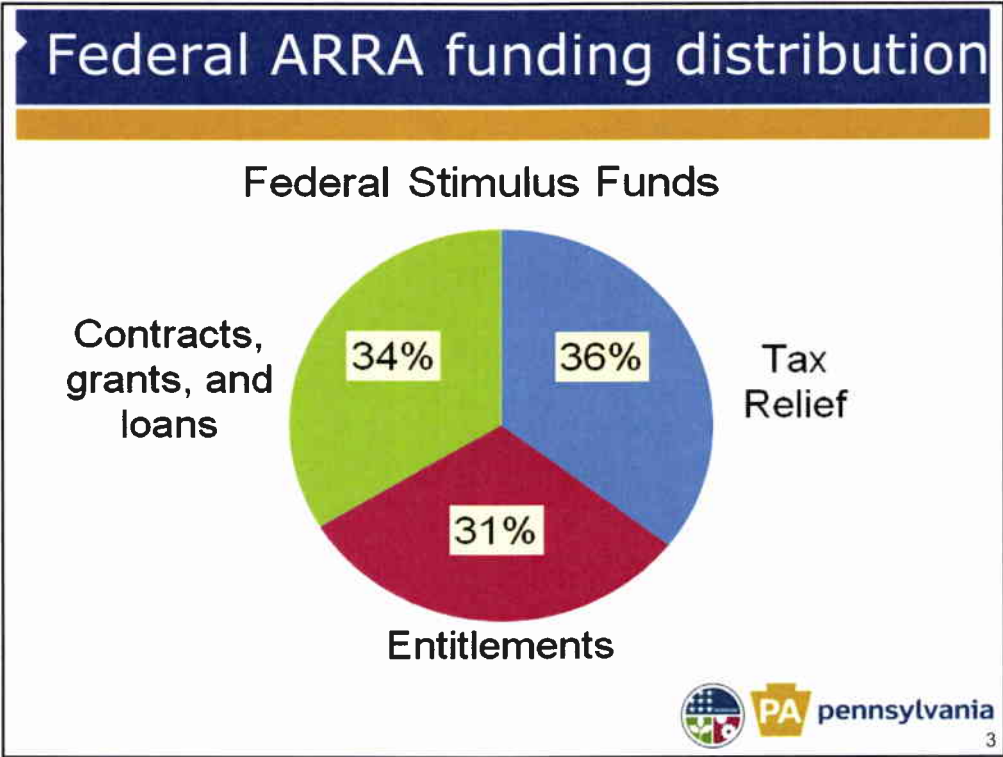
*Eileen McNulty, Stimulus Accountability Office
September 22, 2011*

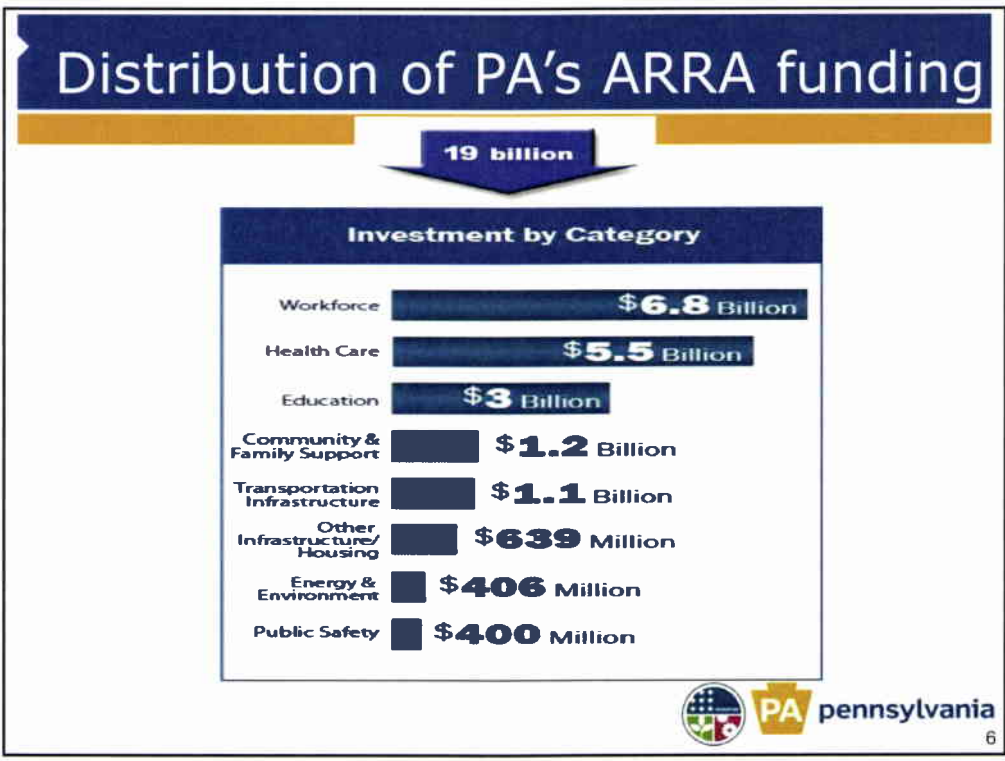
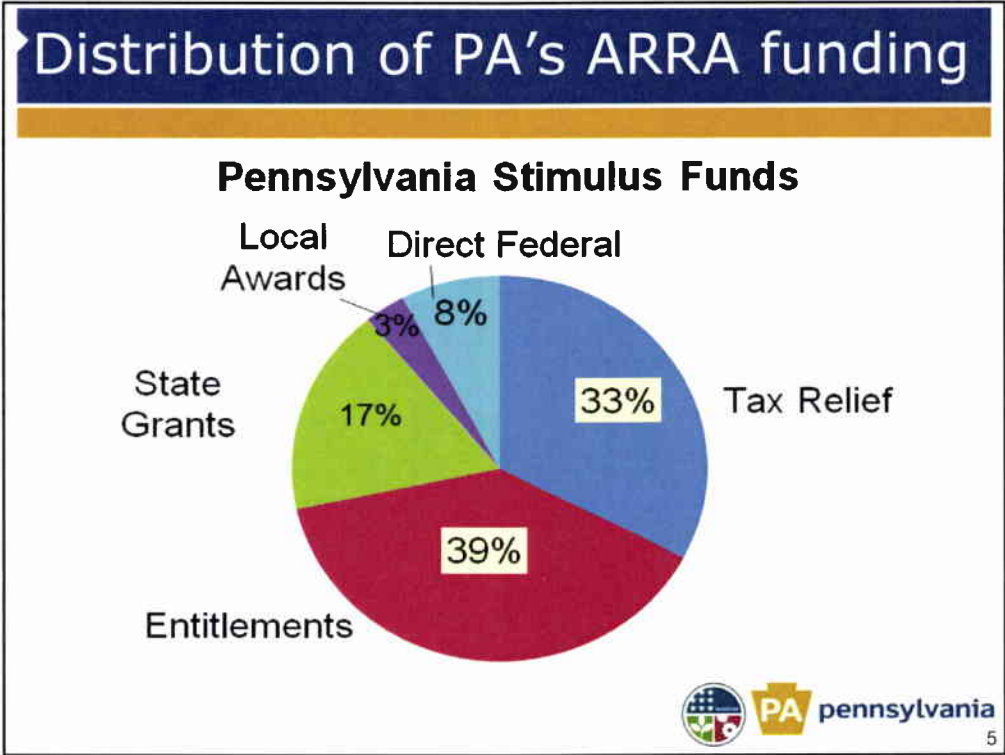


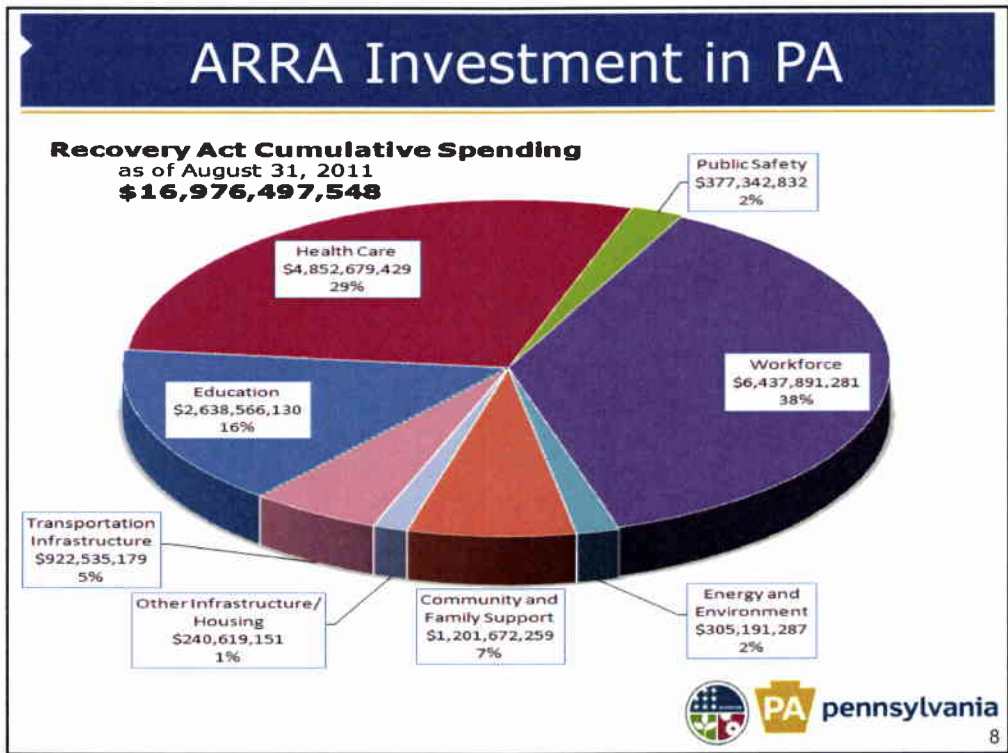
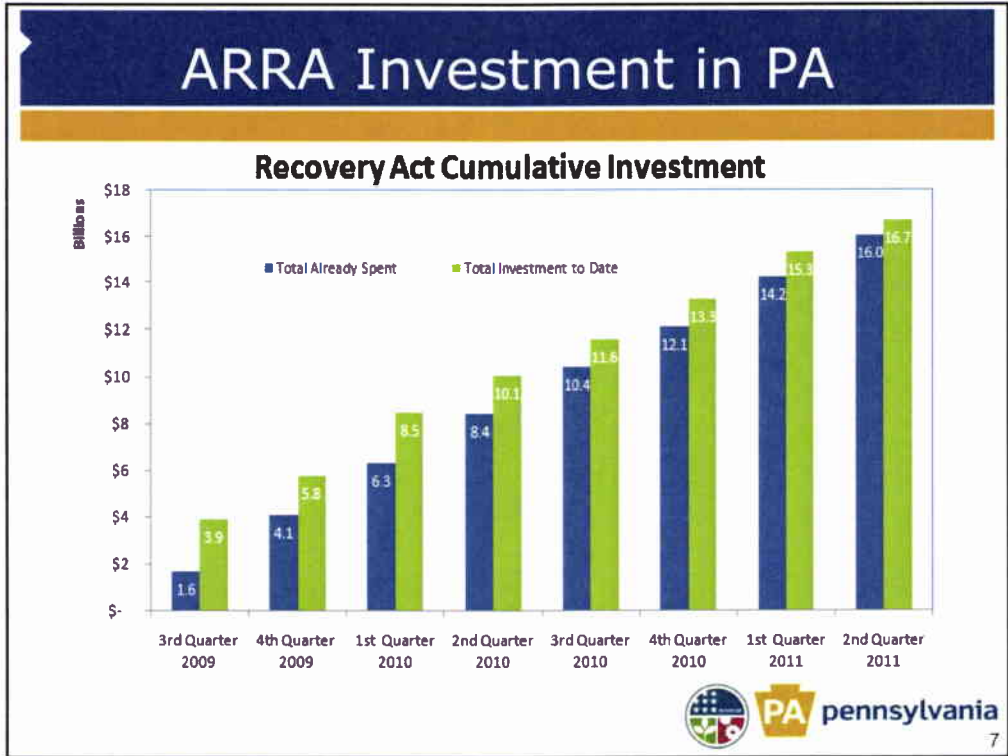
Purposes of ARRA

1. To preserve and create jobs and promote economic recovery,
2. To assist those most impacted by the recession,
3. Invest to spur technological advances in science and health,
4. Invest in infrastructure for long term economic benefit,
5. To stabilize State and local budgets









ARRA funds expiring after 9-30-11

Expiration: Amount left on 8-31-11

FY 11-12:	\$17.5 million
FY 12-13:	\$19.7 million
FY 13-14:	\$115.2 million

Later:

Grants for eHealth records: \$617 million

Transportation: \$51.9 million

Broadband Mapping: \$5.7 million



Stimulus Oversight Commission



- 22 meetings
- Review spending streams, timelines, allocation process
- Review competitive application process
- Review state oversight controls and procedures to prevent and detect fraud or abuse
- Review state approach to required reporting
- Regular status updates on applications, spending, risk management, program implementation, reporting, results



Oversight Activities

- Review agency grant applications and state plans
- Oversee allocation and contract process
- Develop risk matrix
- Project management oversight
- Regular status review of program activity, monitoring, results
- Review federal monitoring results
- Coordinate GAO oversight



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Transparency and Accountability

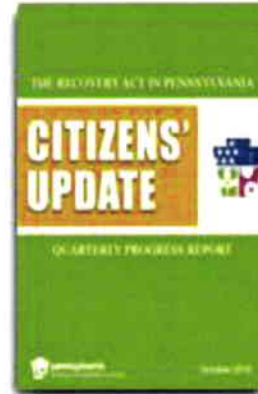
- Website
- Public Awareness
- Quarterly Federal Reporting
- Performance Reporting
- Monitoring
- Internal Audit and Training
- External Input and Follow up



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Public Awareness

- Update
- Outreach
- Media and events
- Business opportunities
- E mails



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Federal Reporting

2nd Quarter Reports

Filed by the Commonwealth in July, 2011

Covers about 17% of PA ARRA funding

- 338 Reports filed
- Data collected from 9,690 entities
- \$5.4 billion awards in progress
- \$4.5 billion spent thru June
- 19 final reports covering \$759 million
- Cumulatively, 88 final reports filed covering \$867 million



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Performance Measures

Provide a simple way for the public to understand what they are getting for the expenditure of ARRA funds.

- Transparency and Accountability – Voluntary Reporting – Includes Entitlement Programs
- Relate measures to specific requirements of ARRA
- Separate impact of ARRA funding from regular program funding when possible.
- Published on www.recovery.pa.us website.



Performance Measures

77 Quarterly Reports: 19 State Agencies
Anticipated Funding and Amount Spent

Program Description

State Goal, ARRA Objective

6 Categories of Measures Aligned with Purposes

- Job Creation
- Budget Stabilization
- Economic Growth
- Program Outputs
- Longer Term Public Benefits
- Energy Saving/Environmental Improvement



Goal 1 – Jobs and Growth

CBO estimate of ARRA growth impact

- GDP up 1.5% to 4.2% in 2010
- GDP up 0.8% to 2.5% in Q2 2011

CEA estimate of ARRA employment impact

- 132,000 jobs in PA

Economic growth impact of ARRA projects

- \$27.6 billion

Contracts awarded to small or disadvantaged businesses

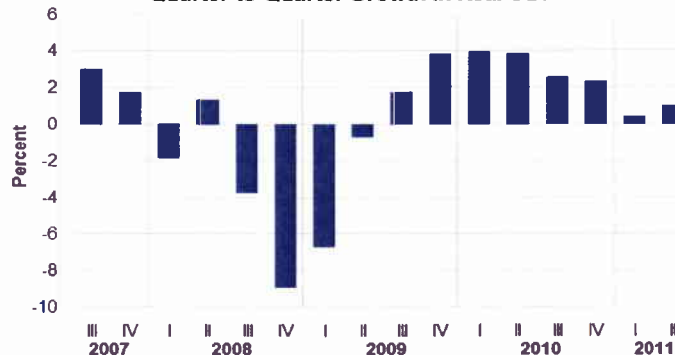
- \$126 million; 6.3% of contracts awarded



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Goal 1 – Jobs and Growth

Quarter-to-Quarter Growth in Real GDP



Real GDP growth is measured at seasonally adjusted annual rates.

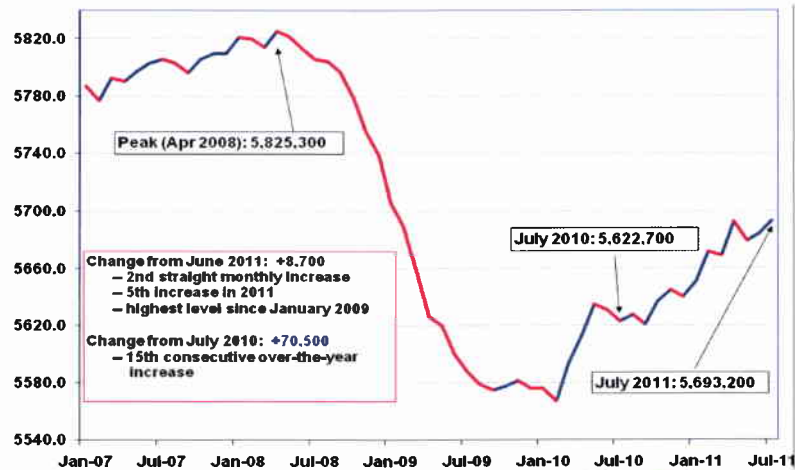
U.S. Bureau of Economic Analysis



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Goal 1 – Jobs and Growth

PA Total Nonfarm Jobs, Seasonally Adjusted



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Goal 2 - Assistance

2. Assist those most impacted by the recession

- 4.5 million families - Making Work Pay tax credit
- 1.76 million individuals - extra food stamp benefits
- 1.16 million workers- additional Unemployment Compensation
- 4,430 additional child care slots, 128 additional Early Head Start slots, 310 add'l Early Intervention slots



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Goal 2 - Assistance

- \$482.4 million additional Pell grants to students at PA Institutions of Higher Education
- Job training:
 - 1,206 incumbent weatherization workers certified
 - 267 Career Link participants trained
 - 191 of the 267 are currently employed by a Weatherization Assistance Provider
 - 11,844 youths placed in summer employment



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Goal 3 – Technology Investment

3. Invest in science and health technologies

- \$668.7 million business investments in energy technology
- \$350.7 million health research activities
- \$87.8 million Health Care facilities
- \$17.4 million Health scholarships and training



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Goal 3 – Technology Investment

Electronic medical records

- \$617 million for incentive grants to medical assistance providers to adopt electronic health records
- \$17.1 million for secure sharing of medical records among hospitals, doctors and other medical service providers



Goal 4 – Infrastructure Investment

4. Invest in Infrastructure for long term economic benefit

- Transportation
- Clean water and Drinking water
- Energy
- Conservation
- Weatherization
- Broadband



Goal 4 – Infrastructure Investment

• Transportation Infrastructure

- \$1 billion awarded for highways & bridges
- 344 projects funded; 267 complete
- 650 miles of road have been resurfaced and 350 bridges have been brought into compliance.
- 3,767 jobs created or retained for August
- 4,022 jobs created or retained for July



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Goal 4 – Infrastructure Investment

• Transportation Infrastructure

- \$346 million awarded for transit projects
- 143 project funded, 134 have Notice to Proceed
- 3,340 jobs created or retained through August on transit projects
- 186 new public transit vehicles; 72 hybrids
- 39 new or renovated facilities
- Improvements at 7 airports totalling \$50.7 million



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Goal 4 – Infrastructure Investment

- Clean Water and Drinking Water
 - 111 water and sewer projects totaling
 - PennVest has disbursed \$207.9 million, or 94% of \$221 million investment
 - Construction progress of the projects:
 - Projects between 0-25% complete = 1
 - Projects between 25-50% complete = 1
 - Projects between 51-75% complete = 6
 - Projects between 76-100% complete = 102, of which:
 - 78 projects are complete



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Goal 4 – Infrastructure Investment

- Clean Water and Drinking Water Projects
 - Bringing the drinking water of 520,000 people into compliance with Commonwealth water quality standards
 - Conserving an additional 1.5 million gallons of potable water annually
 - 15 million kilowatt hours of energy savings annually through more efficient practices
 - Eliminating nutrients and sediment annually:
 - 1.2 million lbs of nitrogen
 - 513,000 lbs of phosphorous
 - 357,000 lbs of solids



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Goal 4 – Infrastructure Investment

State Energy Program

\$99.7 million ARRA funds
 \$353.7 million matching funds
 \$271.3 million leveraged funds
 \$724.7 million total project value



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Goal 4 – Infrastructure Investment

State Energy Program

Project Type	Number of projects	Approximate Lifespan (in years)
CHP	20	20
Solar	18	25
Anaerobic Digesters	7	20
Biomass Boilers	4	25
Wind Power	4	25
Geothermal	3	20
Building Envelope (Windows, Insulation, etc.)	2	30



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Goal 4 – Infrastructure Investment

State Energy Plan

Of 60 projects underway, 16 projects are complete and 19 more have physical work completed.

Annual Energy Savings

- 114.9 million kWh Energy saved
- 25.1 million Mcf Gas saved
- 510.9 million kWh Energy generated



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Goal 4– Infrastructure Investment

ConservationWorks! Block Grants

\$23.1 million ARRA funds
 \$19.7 million matching funds
 \$12.8 million leveraged funds
 \$55.6 million total project value

102 projects for local governments
 and non-profits



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Goal 4 – Infrastructure Investment

ConservationWorks! Block Grants

Project Type	Number of projects	Approximate Lifespan (in years)
HVAC	44	20
Lighting Retrofits	41	10
Building Envelope (Windows, Insulation, etc.)	31	30
Fans and Motors	11	10
Streetlighting Retrofits	10	10
Geothermal HVAC	9	20
Traffic Signal Retrofits	9	10
Solar	7	25
Wind Power	1	



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Goal 4 – Infrastructure Investment

ConservationWorks! Block Grants

Of 102 projects underway, 56 projects have been completely closed out, and 37 more have completed physical work. 3 additional projects are being funded.

Annual Energy Savings

- 33.5 million kWh Energy saved
- 103,238 Mcf Gas saved
- 1.12 million kWh Energy generated



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Goal 4 – Infrastructure Investment

- Leaking Underground Storage Tanks

Corrective action will be performed at 70 sites to allow reuse of abandoned properties and eliminate threats to public health

- Annual Diesel Emissions Reductions

NOx 247 tons VOC 6.2 tons

CO 12.9 tons Particulates 6.9 tons



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Goal 4 – Infrastructure Investment

Weatherization:

- 24,891 homes have been weatherized. This is 84% of the 29,700 home goal in the State Plan.
- DCED monitoring staff have completed on-site reviews of 2,975 (12%) completed homes and completed fiscal monitoring of all 43 sub-recipients.
- 1,748 weatherization certifications have been earned by 1,206 individuals. Some hold multiple certifications. Another 380 individuals are in training.



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Goal 4 – Infrastructure Investment

Broadband

- \$28.8 million for deployment of “middle mile” infrastructure in 32 counties in Northern PA
- Microwave equipment installed at 17 of 71 connections to date.
- Lease bandwidth to “last mile” service providers in areas containing 2,657 community anchor institutions.
- \$7.4 million to collect and maintain data through 2014 for the State’s portion of a national broadband map providing an inventory of broadband service availability



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Goal 5 - Stabilization

5. Stabilize state and local budgets

- \$4.8 billion to maintain healthcare for 2.2 million Medicaid recipients.
- 9,883 correctional officers salaries
- \$1.6 billion to stabilize education budgets
- Support for 356,295 Special Ed students
- School reform plans funded in 48 schools
- \$20.3 million Community Oriented Police (COPS) – 94 officers in 20 communities



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Monitoring Plans

- Management document, not procedure manual
- Fiscal and program processes together in one monitoring plan
- Specific ARRA requirements
 - ▣ Davis Bacon
 - ▣ Buy American
 - ▣ Section 1512 reporting
 - ▣ Job reporting
 - ▣ Sub-recipient reporting



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Monitoring Template

- ▣ Background summary
- ▣ Project Activity
- ▣ Grantee's Allocation Method
- ▣ Monitoring Methodology, Plan, and Schedule
- ▣ Project Performance
- ▣ Regulatory Compliance
- ▣ Fiscal Accountability
- ▣ Jobs Accountability
- ▣ Statement of Program Costs
- ▣ Incident Communication and Resolution Plan



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Ensuring Accountability

- Additional Training
 - Quarterly Recipient Reporting
 - Compliance Supplement
 - Single Audit Preparation
 - Time and Effort Reporting
 - Sub-recipient Monitoring and Documentation
- External Input
 - Hotline
 - Website – Public Input
 - Federal agency monitoring and review
 - Federal Inspectors General



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Ensuring Accountability

- Internal Audit Plan, based on:
 - Risk Assessment
 - Audit Findings (Single Audit, Federal Agencies, etc.)
 - Monitoring Result referrals
- Follow-Up
 - Corrective action plan
 - Escalate to management and legal for review
 - Referral for audit and/or Inspector General investigation
 - Advise Comptroller and Accountability Office



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Accountability Results

- Audits
 - 3 program audits complete; 3 in process
 - 99 audits of grantees or projects
 - 17 external audits in process
- PA Inspector General
 - 10 Referrals
 - 9 cases closed; no findings or not ARRA
 - 1 case open (less than 2 weeks)
- 10 Federal Inspector General audits



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Continuing Oversight

- Comptroller Staff will continue to
 - File ARRA section 1512 reports for Commonwealth agencies
 - Conduct audits and reviews of ARRA programs based on risk assessment
 - Assist agencies with monitoring plans
 - Track responses to ARRA audit findings



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