

Overview and Status of ARRA funding in Virginia

Item 475.50 of the Appropriation Act outlines the appropriation and use of the amounts shown in the Funding Table below. Item 475.50 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 "Current Estimated Amount for Virginia" reflects updated funding estimates provided subsequent to the approval of the Appropriation Act (Chapter 871) based on official federal action.

Source	Amount in Table Item 475.50 of the Appropriation Act	Current Estimated Amount for Virginia
Byrne Justice Assistance Grant	\$39,369,013	\$39,816,347
Child Support Enforcement	\$40,400,000	\$40,474,000
Childcare	\$37,892,000	\$37,891,741
Clean Water State Revolving Fund	\$80,826,900	\$81,013,400
Community Development Block Grant - Entitlement	\$11,311,643	\$10,966,590
Community Development Block Grant - Non -Entitlement	\$5,331,340	\$5,221,967
Community Service for Older Americans	\$2,570,474	\$515,062
Community Services Block Grant	\$16,009,000	\$16,008,042
Crime Victims Assistance Grants	\$1,013,000	\$1,014,000
Crime Victims Compensation	\$345,687	\$335,439
Dislocated Workers	\$13,564,389	\$14,115,351
Drinking Water State Revolving Fund	\$20,761,000	\$20,761,000
Education For Homeless	\$1,009,000	\$1,100,421
Educational Technology	\$10,801,292	\$10,804,880
Elderly Nutrition	\$3,029,000	\$2,285,705
Emergency Food and Shelter	\$1,247,314	\$1,886,821
Employment Service	\$8,596,000	\$8,814,000
Fiscal Stabilization - Education	\$983,865,903	\$983,865,903
Fiscal Stabilization - General	\$218,904,149	\$218,904,149
Food Stamp Administration	\$5,300,000	\$5,300,000
Food Stamp Benefits	\$355,000,000	\$355,000,000
Foster Care and Adoption	\$13,360,349	\$13,360,349
Head Start	\$11,179,767	\$10,175,546
Health Information Technology	\$0	\$0
Health Resources and Services Administration	\$0	\$0
Highways and Bridges	\$694,461,000	\$695,219,336
HOME Investment Partnerships Program	\$44,189,767	\$44,247,749
Homelessness Prevention	\$24,934,000	\$24,809,250
Immunization	\$5,621,650	\$5,419,971
Independent Living - Center for Independent Living	\$0	\$2,160,000
Independent Living - Older Blind	\$0	\$866,036
Independent Living - State Grants	\$0	\$342,443
Internet Crimes Against Children	\$1,901,510	\$1,263,507
Medicaid - Disproportionate Share Hospitals	\$4,344,643	\$4,344,643
Medicaid - Federal Medicaid Assistance Percentage	\$1,284,768,015	\$1,284,768,015
Public Housing Capital Fund	\$51,212,000	\$50,954,217
Rail Modernization - Fixed Guideway	\$4,209,386	\$4,209,386

School Lunch Equipment	\$2,194,703	\$1,891,294
Social Security Disability Determination	\$0	\$8,400,000
Special Education - Part B	\$281,415,033	\$281,415,033
Special Education - Part B Preschool	\$9,470,492	\$9,470,492
Special Education - Part C	\$10,265,580	\$10,265,580
State Energy Program	\$69,266,744	\$70,001,000
Supplemental Nutrition Program for Women, Infants, and Children (WIC)	\$0	\$2,127,177
Temporary Assistance for Needy Families (TANF) Emergency Fund	\$0	\$79,142,586
The Emergency Food Assistance Program	\$1,704,161	\$1,887,000
Title 1 - Grants to Local Education Authorities	\$165,311,666	\$165,352,019
Title 1 - School Improvement	\$47,913,000	\$50,756,218
Transit Capital Grants - Rural	\$18,555,163	\$18,555,163
Transit Capital Grants - Urban	\$93,340,956	\$93,340,956
Unemployment Insurance Administration	\$13,737,000	\$13,461,000
Violence Against Women	\$5,516,970	\$3,305,800
Vocational Rehabilitation	\$11,601,624	\$11,601,624
Weatherization	\$96,931,634	\$94,134,276
Work Study	\$3,743,333	\$3,743,333
Workforce Investment Act - Adult	\$5,280,438	\$5,227,634
Workforce Investment Act - Youth	\$13,113,750	\$12,982,612

Key Points To Take Away From Funding Table

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 U.S. Department of Housing and Urban Development directly to the public housing agencies around Virginia. In these cases, neither the Governor nor state governing boards or agencies have a role in determining allocations. Other funding, such as Byrne Justice Assistance Grants are divided between the Commonwealth (for example the State Compensation Board for Sheriffs Offices, the Department of Criminal Justice Services for Internet Crime Against Children) and eligible local agencies.

Of the \$4.8 billion, there are five major program areas where a state agency, governing board, and the Governor are responsible for making individual projects selections. The process followed for these program areas was collaborative including public outreach and involvement. These program areas, funding allocations and approval authority are listed below. The attachment to this email identifies projects that have been approved by the Governor and some in cases the relevant State entity identified below:

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

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 Natural Resource and Energy Activity

- The State Water Control Board approved \$76.9 million in Virginia Clean Water Projects on April 27, 2009 after a 30-day public comment period. The list of projects is included in the attached document.
- 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.

- Ten percent of Weatherization Program funding has been released to existing local agencies who administer these funds. The list of agencies is included in the attached document.

Virginia ARRA Health and Human Service

- The Department of Health will release its list of potential Drinking Water Revolving Fund projects for a 30-day public comment period by May 8, 2009. The list of projects is included in the attached document
- 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 – almost \$300 million as of May 6, 2009
- Other HHS programs are citizen based services such as Food stamp benefits - \$355 million began flowing April 1.
- The Department of Social Services is developing the proposal for spending child care funding in accordance with the ARRA requirements.
- Secretary of Health and Human Resources Tavenner will be organizing a task force to lead and coordinate Virginia's response to the federal Health IT strategic plan.

Virginia ARRA Transportation Activity

- Recovery Act includes \$811 million for transportation – all modes with \$695 million for federal highway funding
- On April 16, 2009, the Commonwealth Transportation Board approved \$17.3 million in small urban and rural transit grants and \$328 million in bridge, pavement, rail, and highway construction projects.
- The Commonwealth Transportation Board is scheduled to approve additional rail and highway projects on May 16 and those recommendations are included in the attached document.

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, and other federal education formulas
- 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. 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
- Virginia’s application for Fiscal Stabilization Fund dollars -- the first phase – will be submitted by May 12. The Secretary of Finance and State Superintendent of Public Instruction are working with House Appropriations and Senate Finance Committees staff on the details of the submission.
- Initial federal guidance has been released on the increased Qualified Zone Academy Bond (QZAB) Program and the newly established Qualified School Construction Bond Program. For QZAB, Virginia’s existing apportionment for distributing the bonds will be followed and those localities receiving an apportionment are shown in the attached document.
- For the Qualified School Construction Bond Program, plans are to use the new bond program to fund qualifying projects on the Literary Fund First Priority Waiting List. Staff are currently reviewing the projects to determine which will qualify for funding and whether inflationary cost increases should be considered in determining funding levels.

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
- The recommendations of the Governor’s Workforce Sub cabinet for using the \$4.8 million in discretionary Workforce Investment Act funding are under review.

Key Upcoming Meetings

May 12 – House Appropriations Committee

May 21 – Senate Finance Committee

Recent Key Federal Actions

GAO released its first 16-state review of ARRA implementation. It can be found at www.recovery.gov

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

Current ARRA Project Lists as of May 7, 2009

Virginia Clean Water Revolving Loan Fund Projects – April 27, 2009

Location	Funding
City of Lynchburg	\$24,960,000
City of Richmond	\$979,000
City of Richmond	\$1,678,000
City of Richmond	\$3,551,000
Alleghany County	\$10,000,000
Town of Cape Charles	\$4,463,973
Town of Big Stone Gap	\$1,836,909
Town of New Market	\$4,265,116
Town of Clintwood	\$803,985
Town of Stanley	\$100,000
Town of Orange	\$2,117,500
Town of Hillsville	\$552,900
Wise County	\$1,037,000
Tazewell County Public Service Authority	\$2,000,000
Smyth County	\$861,428
Wythe County	\$1,449,340
Smyth County	\$9,300
Town of Fries	\$309,200
Henry County	\$705,000
Loudoun Water	\$580,000
Loudoun Water	\$1,196,330
New Kent County	\$6,752,136
City of Bedford	\$165,330
Fairfax County	\$3,803,000
Westmoreland County	\$890,000
City of Hopewell	\$600,000
City of Lynchburg	\$400,000
Town of Abingdon	\$378,900
Town of Warrenton	\$400,000
Augusta County Service Authority	\$364,964
Town of Culpeper	\$260,000
City of Covington	\$250,000
Total funding	\$77,720,311

Virginia Clean Drinking Water ARRA Project Recommendations for 30-Day Public Comment Period**Available for Projects****\$20,138,170****ARRA Requirements**

Follow existing approved priority setting process; at least 50% of funding must be for grants not loans; at least 20% of funding for green projects; ready to go projects:

Acute Health Priority

Scott County Otterhouse to Beach Grove	\$2,248,903
Russell County Route 664/Route 603 Waterline	1,285,414

Chronic Health Priority

Franklin County (Boones Mill)	3,396,400
Campbell County (Brookneal)	705,104
Brunswick County (Lawrenceville)	715,000

Public Health & Other Ranked Projects

Rockbridge (Goshen)	1,000,000
Tazewell (Pocahontas)	122,600
Portsmouth – Prentis Park	4,808,249
Smyth County – Marion	163,350
Wise County –Pound & countywide	2,042,470
Wise County –St. Paul & Appalachia	1,151,495
Alleghany County – Iron Gate	700,000
City of Roanoke –Rorer Ave and Rugby Blvd	274,350
Harrisonburg (Full Funding Not Available)	2,272,000
Radford (Full Funding Not Available)	2,305,189
King & Queen (Full Funding Not Available)	125,000
City of Richmond (Full Funding Not Available)	377,521

Weatherization Program Local Agency Providers

ElderHomes Corporation
HOPE, Inc.
Central Virginia Area Agency on Aging
Clinch Valley Community Action
Community Energy Conservation Program
Crater District Area Agency on Aging
Eastern Shore Area Agency on Aging
Tri-County Community Action Agency
Lynchburg Community Action Agency
Mountain Community Action Agency
Bay Aging, Inc.
PEOPLE, Inc.
Pittsylvania County Community Action
Rural Area Development Association
Rappahannock Area Agency on Aging
Rooftop of Virginia CAP
Southeastern Tidewater Opportunity Project
Support to Eliminate Poverty
Total Action Against Poverty
Telamon Corporation, Inc.
Community Housing Partners/NCERT
Williamsburg-James City County CCA

K-12 Education Qualified Zone Academy Bond Program

ARRA Requirements

QZAB was created in 1997 to provide zero or low interest loans to local school divisions in economically distressed areas to repair or renovate a school facility. Lenders receive a tax credit in lieu of interest and school divisions are responsible for finding the lender. School divisions must secure private contribution in order to qualify.

Free lunch program participation determines eligibility – Virginia has typically used 50% or higher, with funding divided among localities equally.

Qualifying localities are:

City of Richmond
Sussex County
Brunswick County
City of Danville
King and Queen County
Northampton County
Greensville County
City of Martinsville
City of Hopewell
Essex County
City of Franklin
Accomack County
City of Roanoke
City of Petersburg
Lunenburg County
Prince Edward County
Lee County

Discretionary Transportation Project Recommendations to CTB on May 21, 2009 (Additional projects in addition to CTB project selections on April 16, 2009)

1. Additional Bridges

- Robertson Bridge (Danville)	\$28.9 million
- Route 61 Narrows Bridge (Giles County)	15.7 million
- Route 630/CSX Bridge (Stafford County)	5.4 million

2. Additional Intermodal Projects

- NIT Central Rail Yard (Norfolk)	17.8 million
- Acca Yard PE (Richmond/Henrico)	10.0 million
- Route 28 Manassas Rail Grade Crossing	24.9 million

3. Additional Highway Projects

- I-64 Exit Improvements (Charlottesville)	2.7 million
- Courthouse Road Interchange (Arlington)	10.3 million
- German School Road (Richmond)	3.3 million
- I-64 Safety Improvements (Alleghany County)	19.0 million
- Port Republic Road (Harrisonburg)	22.1 million
- Witchduck & Prince Anne Roads (Virginia Beach)	27.3 million
- Route 3 Design Build (Spotsylvania County)	25.2 million
- Mercury Boulevard Paving (Hampton)	3.6 million
- Fair Lakes Interchange (Fairfax County)	13.0 million