

Arkansas Office of Recovery and Reinvestment

Executive Report



February 2010

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Recovery.Arkansas.Gov
Keeping Arkansans at Work

Mike Beebe
GOVERNOR OF ARKANSAS



Introduction



Last October, Arkansas's state government made the first of many reports to the federal government providing information about how the American Recovery and Reinvestment Act (ARRA) funds have been invested in the state's economy.

Now, another calendar quarter has passed, and Arkansas is once again updating Washington on the progress made in implementing the Act. It is also updating Arkansas taxpayers, telling them how ARRA investments were used to encourage the state's economy during the last three months of 2009.

In some cases, progress can be found in programs that were already underway, like the far-reaching highway work now being funded by the Recovery Act. In other cases, Recovery funds are being used for new programs or are being developed to begin operation later in 2010 and beyond. All over the State, Recovery funds are at work, helping Arkansas's economy and its people.



Background

Recovery Act: 2009 Final Quarter:

- **1,622:** Number of jobs created or saved during the quarter as a result of Recovery Act programs overseen by state government.
- **\$1.16 billion:** Amount awarded to the State as of Dec. 31st.
- **\$240 million:** Amount invested as of December 31st.
- **178:** Miles of highway improved .
- **243:** Number of local education associations investing funds received through the Recovery Act.

The American Recovery and Reinvestment Act isn't like most other economic-stimulus laws. It is intended to stimulate the economy over the long-term, directing investments to Arkansas and the rest of the country over the course of several years.

During that time, the Recovery Act may provide tax benefits to individuals and businesses, grants to local governments and organizations, and one-time payments through programs like Social Security. The Act is a broad, national effort to

stimulate the country's economy through the current crisis, as well as to promote a stronger economy in the future. More information about ARRA can be found at <http://Recovery.gov>.

The Recovery Act requires a high degree of reporting and accountability. Government officials on the local, state, and federal levels will be working throughout the life of the Act to ensure that funds are invested wisely and appropriately.

The Recovery Accountability and Transparency Board was created to oversee reporting efforts and to combat fraud and mismanagement of Recovery Act funds.

Arkansas's state government has oversight over only a portion of the funds that will be invested in the state's economy from the Recovery Act. Other investments will be made directly by agencies of the federal government. Under the terms of ARRA, funds will be invested through already established federal programs. Those federal programs strictly limit how and where funds can be invested. Arkansas is working within these limitations to maximize the Recovery Act's

The Recovery Act is intended to meet four main goals:

- *To preserve and create jobs to promote economic activity;*
- *To provide investments in technological advances in science and health;*
- *To invest in transportation, environmental protection, and other long-term infrastructure improvements; and*
- *To stabilize state and local budgets.*

Steps Arkansas is taking to ensure accountability:

- Information on every contract issued under the Recovery Act is posted on the state's Recovery Web site.
- Recovery Act plans by school districts and charter schools are also posted online.
- Data on Recovery Act spending is updated every month, not just on a quarterly basis.
- Every state agency involved in the Recovery Act has developed separate audit procedures to ensure compliance with federal standards.
- Each state agency has also developed an individual Web site dedicated to Recovery Act programs and projects.
- The Governor's Office reviews weekly Recovery Act spending reports, and the Recovery Office monitors and provides oversight on an ongoing basis.
- Agencies must report on implementation of Recovery Act funding on a weekly basis.

potential benefits. According to the most recent estimates, Arkansas is expected to receive some **\$3.17 billion** in federal grants, loans, and other investments as a result of the ARRA.

As part of its obligations under the Recovery Act, Arkansas's state government must make regular, quarterly reports to Washington on how and where Recovery Act funds have been invested.

The second such report, covering the last quarter of 2009, has just been filed with the federal government. That report covers all contracts, loans, and grants made to organizations in Arkansas under the Recovery Act. It includes funds invested in the State that are not under the oversight of Arkansas's state government.

Following federal reporting guidelines, Arkansas had been awarded **\$1,161,109,092** in funding under the Recovery Act as of December 31st, 2009. Of that amount, **\$474,698,967** has been received and

\$240,074,653 has been expended.

The Recovery Act is an act of Congress, not Arkansas's state government. Governor Mike Beebe has determined that it is in the best interests of the State to participate in the Recovery Act.

In agreeing to participate, Arkansas will strive to both meet its obligations under the Act but also satisfy the demands of the Arkansas taxpayer by ensuring that the funds are invested wisely and appropriately.

Emphasis on Accountability

A portion of the Recovery Act, Section 1512, requires that every recipient of Recovery Act funds provide data on how and where that money is spent including the name and

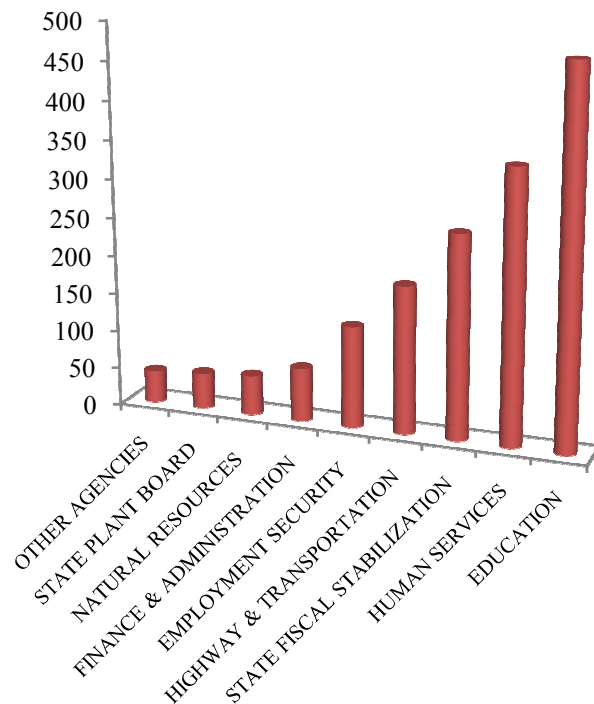
description of the projects, how close each project is to completion, and the number of jobs created or saved.

When the Recovery Act was signed into law in February 2009, Governor Beebe created the Governor’s Recovery Cabinet and the Arkansas Recovery Office to provide daily oversight over the Recovery Act. The Governor also required state agencies to track every Recovery Act dollar as it is drawn down from the federal government. He also ordered that state agencies meet an even higher standard of transparency and accountability than is required by the Recovery Act itself.

Governor Beebe asked that additional information be collected and made available, not just for the federal government but for the people of Arkansas. This information is intended to provide a more complete portrait of how and where the Recovery Act is at work in Arkansas. A Web site, <http://Recovery.Arkansas.Gov>, was created to serve as the central information hub for the Recovery Act in Arkansas.. One of its major roles will be the posting of future projects relating to the Recovery Act. This virtual clearinghouse for Recovery Act information in Arkansas is designed to allow users to drill down to specific investments made possible under the Recovery Act. A Recovery Act Hotline has also been established to field questions related to the Act. The Hotline, 1-877-682-1515 or 501-683-5767, is staffed by trained state employees, who will help answer questions about this important and complex piece of legislation.

Jobs in Arkansas

The Recovery Act is a long-term attempt to revive the American economy generally. But it’s also an attempt to help thousands of Americans get back to work. As a result, the Act requires states to track the number of jobs created or



saved as a result of programs funded by the Act. In December, the federal Office of Management and Budget changed the process used to calculate jobs created by the stimulus.

One major change requires that job-creation reports be based on the number of hours worked that were funded by ARRA. These hours are then divided by the number of hours in a full-time schedule to determine the number of jobs produced as a result of the Act. These changes were made to increase the accuracy of reporting. Due to these changes, it would be inaccurate to compare the number of jobs created as a result of the Recovery Act in the final three months of 2009 with those jobs reportedly created prior to September 30th, 2009. According to the updated calculations, the programs funded by the ARRA under the oversight of state government created some 1,622 jobs in the last three months of 2009.

The largest source of jobs came from funding for Arkansas's K-12 public schools. Programs overseen by the Arkansas Department of Education created or saved 473 jobs during the last quarter of 2009.

Similarly, the State Fiscal Stabilization Fund, which primarily supports public education, accounted for 247 jobs in the fourth quarter. Other programs that created large numbers of jobs for Arkansans were overseen by the Department of Highway and Transportation and the Department of Human Services.



Investing in Arkansas

The purpose of the Recovery Act was to both help the American economy recover from the current economic crisis and foster its sustained, long-term development. Several existing federal programs were enlisted to support this effort.

In Arkansas, those federal programs operate under the oversight of some of the largest agencies in state government. These agencies are now playing a major role in ensuring that dollars provided under the Recovery Act are invested wisely and appropriately.

The primary state agencies involved are the Department of Human Services, the Department of Health, the Highway and Transportation Department, the Natural Resources

Commission, the Agriculture Department, the Development Finance Authority, the Economic Development Commission, the Department of Education, the Department of Workforce Services, the Department of Environmental Quality, the Department of Career Education, the Department of Finance and Administration, and the Arkansas State Police.

These agencies will oversee the use of ARRA funds. Each has been awarded an amount from the federal government. Those funds will be drawn down from the federal treasury and invested in ARRA proceeds.

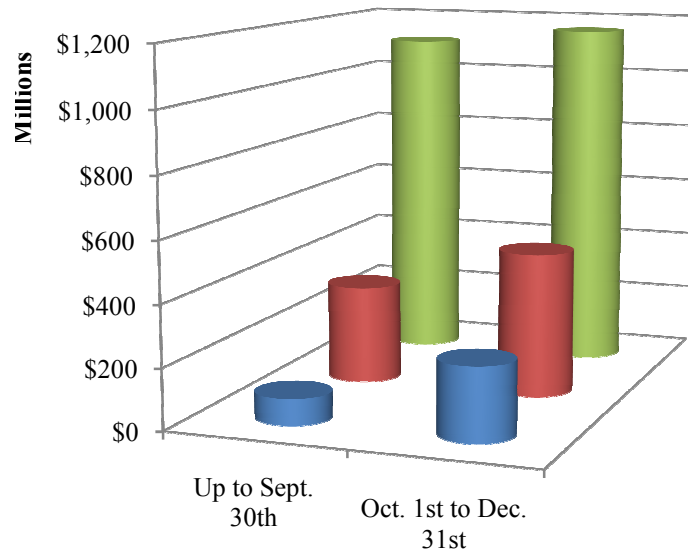
Agency	Amount Awarded	Amount Received	Amount Invested
Health	\$2,196,283	\$543,577	\$527,809
Economic Development	\$57,356,098	\$560,959	\$576,898
Heritage	\$302,100	\$302,100	\$302,100
Natural Resources	\$50,121,500	\$3,560,088	\$3,560,088
Plant Board (Dept. of Agriculture)	\$7,815,885	\$7,815,885	\$7,073,089
Development Finance	\$20,463,053	\$0	\$0
Education	\$237,855,381	\$57,712,930	\$47,671,737
Employment Security (DWS)	\$27,966,822	\$11,681,740	\$11,916,200
Environmental Quality	\$4,454,566	\$54,168	\$62,901
State Fiscal Stabilization Fund	\$324,022,601	\$86,134,111	\$86,134,111
Finance and Administration	\$16,047,167	\$13,930,793	\$1,712,862
Forestry (Dept. of Agriculture)	\$3,600,000	\$0	\$0
Highway and Transportation	\$282,637,618	\$269,944,461	\$63,509,807
Human Services	\$105,746,736	\$20,374,982	\$20,789,384
National Guard	\$12,830,000	\$1,500,000	\$661,887
Public Service Commission	\$822,779	\$0	\$0
Rehab Services (DCE)	\$6,012,815	\$274,530	\$272,189
State Police	\$580,983	\$31,937	\$31,937
Miscellaneous	\$276,705	\$276,705	\$276,705
Grand Total	\$1,161,109,092	\$474,698,967	\$245,079,705

Signs of Progress

The first executive report discussed the work being performed to get the Recovery Act up and running in Arkansas. That report covered efforts up to Sept. 30, 2009. As the Recovery Act progressed, Arkansas benefited as more funds that had been awarded earlier in the year were invested in the state's economy.

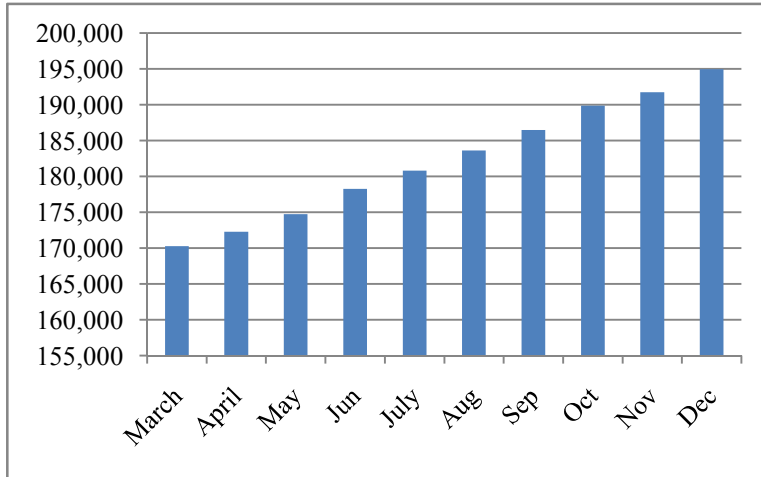
Some state agencies, like the Department of Health or the Natural Resources Commission, had only been awarded funds when the first executive report was released. Now however, these agencies have had a chance to begin investing the proceeds of the Recovery Act to help Arkansas. Indeed, all across state government, agencies reported rapid increases in the amount they were able to invest during the final quarter of 2009.

At the end of September, Arkansas had just begun the process of receiving and investing funds through the Recovery Act. At the time, the State had been awarded some \$1.11 billion in funds, but it had received just \$322.9 million and invested \$112.5 million. By December 31, the State had been awarded \$1.16 billion – a minor increase over the previous quarter – but it had received \$474.7 million and invested \$240 million. Indeed, the amount invested by the State as of the final three months of 2009 represented a 114 percent increase over the previous quarter.



Arkansas has seen a marked increase in the flow of funding under the Recovery Act. Blue sections represent the amount received under ARRA. Sections in Red represent the amount invested as a result, and sections in Green represent the total amount awarded.

But these are just the numbers. The most important signs of the Recovery Act's progress can be seen on the roads, in classrooms, and in communities big and small across Arkansas. Some of the first ARRA programs to begin operation and which were described in the first Executive Report in November, made significant progress during the last three months of 2009.



The SNAP program has reported a 14 percent increase in the number of cases handled by the program since March 2009. Source: Arkansas Department of Human Services

number of homes weatherized had increased to 452.

Similarly, two programs designed to provide healthy meals to elderly Arkansans had completed their ARRA funding during the last quarter of 2009. Congregate Nutrition Services and Home-Delivered Nutrition Services reported spending \$593,173 and \$300,814 as of September 30th, 2009. As of December 31st, those two programs reported spending \$648,133 and \$319,081, increases of 9.3 percent and 6 percent respectively.

Another program that made progress during the last three months of 2009 was the Supplemental Nutrition Assistance Program, or SNAP, formerly known as the “food stamp program”. The caseload for SNAP in Arkansas increased steadily throughout 2009, from just under 170,000 cases in March to 183,000 in August, and, from 189,855 cases in October to 194,948 in December. SNAP expenditures reached \$25,801,367 in the final three months of the year.

Education

In creating the Recovery Act, Congress reserved significant federal funds for public education. A major goal was to protect American public schools from cuts in funding that might result from the economic downturn. As a result,



The state’s Weatherization Assistance Program, for example, continues to improve homes across Arkansas to make them more energy-efficient and less expensive to heat and cool. As reported in the first executive report, 171 homes had been weatherized as of

September 30.

As of December 18th, the

Arkansas's public schools are now benefiting significantly from ARRA. Much of that funding will come from the State Fiscal Stabilization Fund. As described in the executive report issued in October, the Fiscal Stabilization Fund is designed to help states dealing with significant budget deficits. Here in Arkansas, state government has benefitted from conservative budgeting over the last several years.

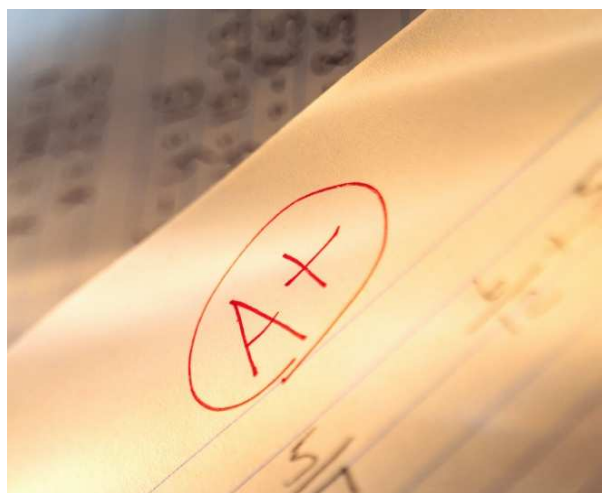
While cuts have been made to the state budget, those cuts have not been as extreme as those suffered in other states. As a result, funds made available from the State Fiscal Stabilization Fund – or SFSF – can be used to improve the state's economy. And under the terms of the Recovery Act, some 82 percent of the SFSF must be directed toward public education.

The Recovery Act's support for education will flow through a variety of programs. Those include the the Individuals with Disabilities Education Act, or IDEA, and Title I of the Elementary and Secondary Education Act, which provides help for disadvantaged students.

Funding through the SFSF will occur in two stages. School districts and charter schools – called Local Education Agencies – that seek to use Recovery Act funding must submit plans to state government for approval. During the final three months of 2009, 251 school districts and charter schools were awarded funds through the Recovery Act.

Of these, 243 reported disbursing federal funds toward plans approved by the Arkansas Department of Education. In total, Arkansas's public schools were awarded more than \$400 million in ARRA funding in 2009. Of that amount, \$127.3 million had been expended.

Plans approved by the Department of Education in the final three months of 2009 include improvements like the addition of equipment designed to help children with disabilities at C.D. Franks Elementary School in Ashdown, and the modernization of a district-wide phone system in Marked Tree, which will help parents stay involved in their local schools.



Bradley High School will receive 25 computers and other equipment to outfit a computer lab, while in Ozark, covered walkways will be built to keep students dry as they travel between buildings.

Local education agencies all over Arkansas will benefit from the Recovery Act. Plans proposing a wide array of improvements have been accepted by the state Department of Education and are now being put into effect.

A complete list of the plans approved by the Department of Education can be found on the state's Recovery Web site at http://recovery.arkansas.gov/ade/ade_reports.html.



Highways and Infrastructure

The Recovery Act targeted the nation's transportation infrastructure for increased funding.

Roads, highways, and bridges play a major role in supporting and improving economies like Arkansas's, and maintaining this resource will safeguard future economic growth.

Perhaps more importantly, in Arkansas, there was a long list of projects that needed funding in order to both maintain the state's existing roadways and to prepare for future growth. Highway work began in the spring of 2009 as the Recovery Act was just getting underway. By the end of 2009, 52 different projects had been completed covering 178 miles of Arkansas road and highway.

Under a decision by the Arkansas Highway Commission, Recovery Act funding has been intentionally invested in all varieties of highway construction work in areas all over the State.

The Arkansas State Highway and Transportation Department reported significant progress during the final three months of 2009.

	<u>As of Oct. 12, 2009</u>	<u>As of Dec. 15, 2009</u>
Projects Let to Contract	<u>69</u>	<u>82</u>
Projects Completed	<u>50</u>	<u>52</u>
Miles of Highway Improved	<u>160.48</u>	<u>178.03</u>
Cost of Completed Projects	<u>\$43.12 million</u>	<u>\$45.8 million</u>

It was the intent of the commission that Recovery Act funds not be channeled toward any particular type of project or area of the State. As a result, infrastructure projects begun as a result of ARRA cover a broad array of work,

from simple rehabilitation projects and the construction and installation of traffic lights, to large-scale, long-term improvements to Arkansas’s interstate highways. During the final three months of 2009, some highway projects begun earlier in the year were completed. These include the rehabilitation of the Archy Fork Bridge in Van Buren County and the rehabilitation of Route 22 in Franklin County.

Some projects begun during the final quarter of 2009 will continue well into the future. These include the widening of sections of U.S. 65 in Lincoln and Desha Counties, work scheduled to continue into 2012, as well as the improvement of interchanges along I-540 in Washington and Benton Counties.

All across Arkansas, the impact of the Recovery Act can be seen in improved roads and bridges and better infrastructure. A complete list of Recovery Act-funded highway projects that are underway in Arkansas can be found on the Web page of the Arkansas State Highway and Transportation Department at:



<http://www.arkansashighways.com/ARRA/arra2009.aspx#>

Other Projects

The Recovery Act affects far more than highways and schools. Recovery Act funds are being used to improve Arkansas's natural resources, enhance access to needed vaccines, and fight poverty and poor housing in Arkansas's cities and towns.

Clean Water and Drinking Water

Awarded to Clean Water Fund as of 12/31/09: **\$25,635,500**

Spent by Clean Water Fund as of 12/31/09: **\$2,358,481**

Awarded to Drinking Water Fund as of 12/31/09: **\$24,485,000**

Spent by Arkansas Water Fund as of 12/31/09: **\$1,201,607**

Among the programs that began receiving ARRA funding during the final quarter of 2009 were two revolving loan funds designed to improve and protect Arkansas's water resources.



The Clean Water State Revolving Loan Fund and the Drinking Water State Revolving Loan fund are both administered by the federal Environmental Protection Agency. In Arkansas, the Arkansas Natural Resources Commission is overseeing the programs.



The Clean Water fund, created as part of the U.S. Clean Water Act, provides low-interest loans for wastewater projects around the State. Similarly, the Drinking Water Fund provides low-interest loans to improve the drinking-water infrastructure. During the last quarter of 2009, three Clean Water projects and two Drinking Water projects began receiving Recovery Act funds.

The Clean Water projects made possible by the Recovery Act include an effort in Newport to reduce odor-causing sludge in the city's wastewater lagoons, a series of

wastewater improvements in Siloam Springs, and the restoration of wetlands around the Clinton Presidential Library in Little Rock. In Central Arkansas, the Drinking Water fund helped Central Arkansas Water begin converting their disinfection process to a safer alternative, allowing it to remain in compliance with the federal Safe Drinking Water Act.

The Drinking Water Fund will also allow the Buffalo Island Regional Water District in Craighead and Mississippi Counties to add a water well and other improvements to help meet the needs of local residents.

For more information on ARRA programs managed by the Arkansas Natural Resources Commission, including Clean Water and Drinking Water programs, visit the agency's Recovery Act Web site at:

<http://www.anrc.arkansas.gov/American%20Recovery%20and%20Reinvestment%20Act%20of%202009.htm>

Immunization & Vaccines

Funds awarded as of 12/31/09: <u>\$983,798</u>

Funds invested as of 12/31/09: <u>\$519,901</u>
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Under the Recovery Act, some \$300 million will be

invested nationally to help create a comprehensive immunization program on the state and national levels. The program is run by the federal Department of Health and Human Services, and the Arkansas Department of Health will use the program to improve the state's ability to distribute immunizations and vaccines.

That work includes the creation of immunization and vaccine plans, collecting information on insurance requirements, and determining the amount and the source of "seed" vaccines, which can be used to create larger stocks in the future.

Funds received during the last three months of 2009 included money needed to purchase 54 refrigerators for use in the immunization program. These replace older models and allow for more effective and efficient storage.

Community Service Block Grants

Recovery Act Funds Awarded as of 12/31/09: **\$13,595,871**

Recovery Act Funds Spent as of 12/31/09: **\$1,630,418**



Grant program is a program of the U.S. Department of Health and Human Services designed to combat the causes of poverty in American cities. Services funded through the block-grant program are designed to help low-income individuals and families with employment assistance, housing, education, and other critical needs.

In Arkansas, the Community Service Block Grants (CDBG) are being managed through 17 community-action agencies located across the State. In the last quarter of 2009, Community Service Block Grants helped create new support systems for low-income individuals, including the employment of foreclosure-mitigation counselors in Springdale to work with families facing losing their homes.

Community Development Block Grant

Recovery Act Funds Awarded as of 12/31/09: **\$5,144,608**

Recovery Act Funds Spent as of 12/31/09: **\$279,393**

Operated by the federal Department of Housing and Urban Development, the Community Development Block Grant

Program offers support for a wide-array of programs designed to improve housing and expand economic opportunities within American towns and cities. Under ARRA, \$5.1 million has been made available to Arkansas through this grant program. Thirteen cities and counties including the cities of Hughes, Sunset, Widener, Humnoke, Dumas, Foreman, Lake Village, Rector, Williford, and Dardanelle, as well as Crawford, Searcy, and Yell Counties, have been selected to receive such grants.

Projects include the updating of a building in Dumas for use as a technology center, the renovation of a building in Rector for use as a wellness and job-training center, and improving the energy efficiency of the community center in Searcy. In Dardanelle, CDBG funds helped establish a food bank for hungry families.

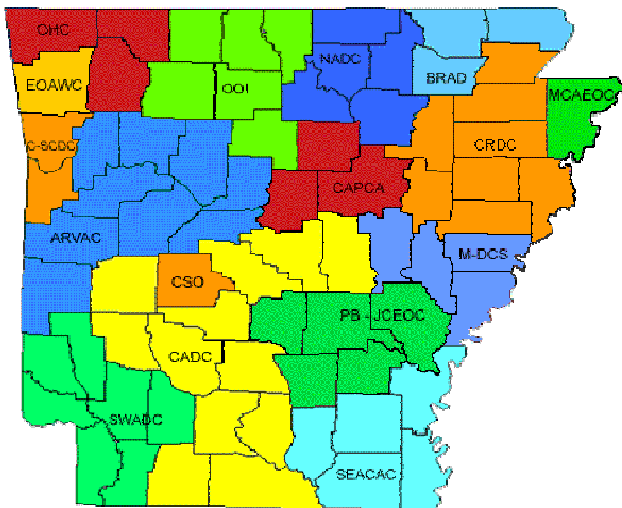


Stocks of food at the food bank in Dardanelle that was created in part by the Community Development Block Grant Program

Opened in December, the food bank was created with a \$200,000 CDBG grant that was administered by the Arkansas Economic Development Commission. It will serve the hungry in Yell and eight surrounding counties. More information on the Community Development Block Program can be found on the Recovery Act Web site operated by the Arkansas Economic

Development Commission at <http://arkansasedc.com/grants/cdbg-recovery-projects.aspx>.

Arkansas's Community Action Agencies



Arkansas's Community Action Agencies will play a major role in seeing that programs funded through the Recovery Act reach Arkansans throughout the State. Created by Congress in 1964, there are more than a thousand Community Action Agencies in the nation. Each works to help low-income Americans by increasing access to education, job training, employment, better housing, food, and transportation, child care, and other needs.

In Arkansas, 16 CAA agencies will serve counties across the State, ensuring the programs like the Weatherization Assistance Program, Congregate Meals, and other ARRA programs reach the people who most need those services.

For more information on the Community Action Agency near you, visit the Web site of the Arkansas Community Action Agencies Association, Inc., at <http://www.aaaa.org/>.

Beyond Section 1512



As described in the first Executive Report, the Recovery Act does not require a complete report of all the ways in which the State will benefit from ARRA.

In fact, some of the largest sources of support coming to Arkansas as a result of the Recovery Act are included in the reporting requirements in Section 1512 of the Recovery Act. However, Governor Beebe has determined that additional reporting measures should take these programs into account.

Medicaid

A major component of the Recovery Act for Arkansas comes from an adjustment in Arkansas's Medicaid matching rate. Medicaid provides health care and other services for a broad array of Arkansans.

The program is paid for by both the federal government and state government. Under the Recovery Act, the federal portion of Medicaid costs will increase temporarily.

The portion paid by the federal government – known as the matching rate – will increase from 72 percent to about 79 percent over the life of the Recovery Act. This increased rate of federal participation will be applied retroactively back to the final quarter of 2008, and will be applied to through nine fiscal quarters – a total of more than two years.

During this time, the increased federal matching rate will allow Arkansas to invest heavily in the future of Medicaid. Examples of investments in Medicaid resulting from the Recovery Act include the improvement of long-term benefits provided under Arkansas's Medicaid program, such as automation programs that will make operations more efficient.



ARRA funds will also allow for in-home and community-based programs that will improve services for the elderly and those with disabilities.

Other investments include the creation of a call center for better customer care, the construction of a juvenile assessment and treatment facility, as well as the construction of new education facilities at Colt, Harrisburg, Dermott, and Lewisville to better serve the State.

Similarly, Recovery funds will finance investments in technology designed to improve care management and the overall quality of Arkansas's Medicaid program. That includes investments in computer security to protect state Medicaid data and systems, improved communications, additional equipment, such as computer scanners and paper shredders, and plans to better prepare for potential disasters.

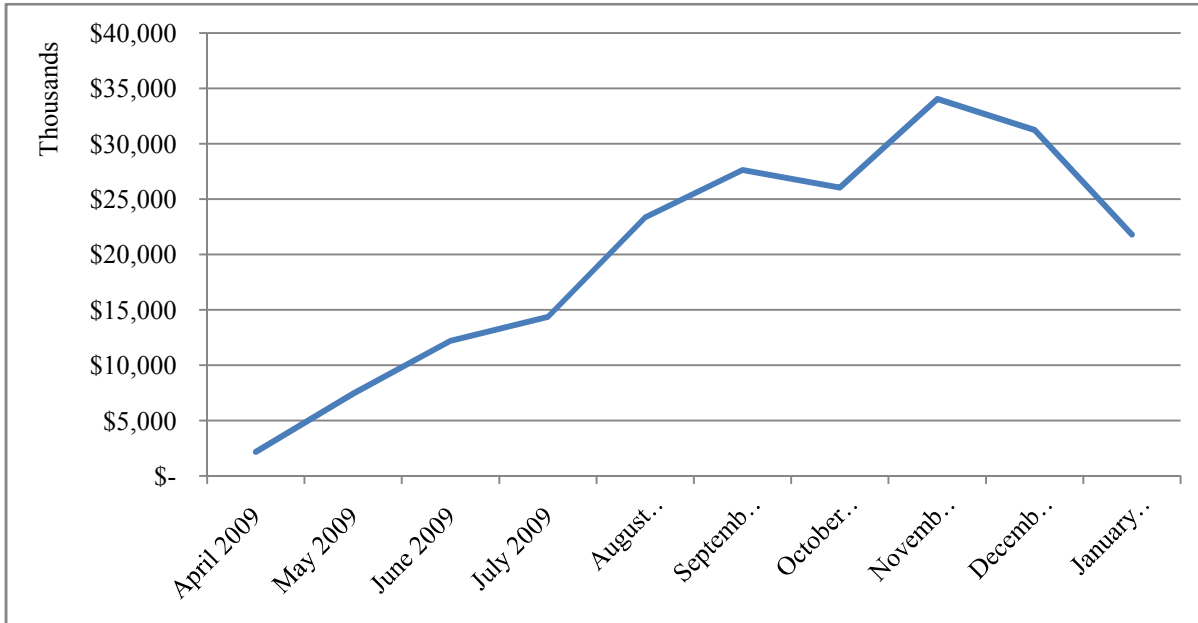
Unemployment Insurance



Received due to change in UI: as of 12/31: **\$324,680,098**

Spent due to change in UI as of 12/31: **\$328,779,877**

Many Arkansans have been laid off from their jobs as a result of the current financial crisis. Under the Recovery Act, significant investments were made in the Unemployment Insurance program, so that those workers who were laid off can receive additional help while looking for work. Some of the benefits extended through unemployment insurance include an extension on the time a worker can receive benefits as well as a temporary, \$25 increase in benefits and a temporary lifting of paying federal income taxes on benefits that an unemployed worker receives.



Amount paid, in thousands of dollars, through extended benefits provided through Unemployment Insurance. Source: Arkansas Department of Workforce Services.

Unemployed workers relied heavily on these extended benefits during 2009. For example, funds paid through the Emergency Unemployment Compensation Program, which extended unemployment benefits by 20 weeks for unemployed workers, rose steadily throughout 2009. The total amount paid out monthly under the program peaked in November, when the Department of Workforce Services reported payments of \$34 million.

Another program that is receiving Recovery Act funding and is overseen by the Department of Workforce Services is Trade Adjustment Assistance or TAA. This program provides assistance for workers affected by international trade, off-shoring, and outsourcing of jobs to other countries. Assistance includes job-training, health care, and other benefits.

The Department of Workforce Services also oversees Workforce Investment Areas throughout the State. These areas provide job training and summer-employment opportunities for young and unemployed workers in need of job training, and have received significant support as a result of the Recovery Act.

Similarly, Temporary Assistance for Needy Families (TANF), a program overseen by the Department of Workforce Services, has been supported by the Recovery Act. TANF provides support for low-income families by promoting job preparation, ending the dependence of needy

families on government programs, and encouraging the formation and maintenance of two-parent families.

Future Projects

Other programs that were being planned during the last three months of 2009 are now going into operation. Future executive reports will highlight the work of these projects as the Recovery Act continues.

Go RED!

A program of the U.S. Environmental Protection Agency, Reduce Emissions for Diesels, or Go RED! is an effort to lessen pollution caused by diesel engines in Arkansas. Under the oversight of the Arkansas Department of Environmental Quality, the program aims to use Recovery Act funding to support retrofitting of equipment, technology that reduces engine idling, engine upgrades, and engine replacement.



The program began drawing down Recovery Act funding during the final quarter of 2009 and will begin investing in diesel-emission-reduction programs in the first quarter of 2010. Some \$1.5 million in funding from the Recovery Act will be used to help 14 recipients retrofit or replace diesel engines to run cleaner. Likewise, the Little Rock Wastewater District and Central Arkansas Transit Authority will utilize ARRA funding to replace older vehicles and engines with clean-fuel alternatives.

These efforts will help reduce pollution in Pulaski County, thereby lessening the risk of violating federal ground-level standards for ozone. The rebuilt engines will produce 60 percent less nitrogen than the engines they replace.



State Energy Program

The Recovery Act also placed an emphasis on making America's economy more energy efficient. One of the key components of that effort is the State Energy Program, a grant program that is overseen by the U.S. Department of Energy but that also allows individual states to determine their own energy-efficiency programs. In Arkansas, the State Energy Program is overseen by the Arkansas Economic Development Commission's Arkansas Energy Office.

Projects begun under the State Energy Program will include an effort to create more efficient lighting for poultry producers, an employer-assisted Home Energy Assistance Loan program, and a revolving loan fund to support the creation of sustainable building designs for state government.

Another major program operated by the State Energy Office is the Energy Efficiency and Conservation Block Grant Program. The EECBG will use ARRA funding to help local governments in Arkansas reduce energy consumption and emissions. This includes the use of energy audits, retrofits of inefficient equipment, and the installation of renewable energy technologies in local government buildings.

Conclusion



Although the Recovery Act is now more than a year old, in many ways, it has only just begun. In keeping with the long-term, strategic goals of the Act, many of ARRA's programs are only now being rolled out. Future executive reports will highlight the work being performed in Arkansas as a result of the Act as well as the effect it has had on workers and communities across the State. Arkansas's Recovery Act Web site will continue to update taxpayers on progress toward implementing the Act's various programs. Although the Recovery Act's effect on Arkansas's economy will be hard to qualify,

progress toward implementing ARRA can be measured in the dollars being invested in the State, the projects underway and completed, and jobs created or saved. Throughout the remainder of the Recovery Act, Arkansas's state government will work to ensure that ARRA programs are carried out effectively and efficiently, that the taxpayer's investment in the economy is protected, and that fraud and abuse of Recovery Act funds are thwarted.