

Prepared Comments  
For the  
Legislative Federal Economic Stimulus Program Oversight Committee  
By  
Mark Anderson, State Lead ARRA Coordinator

Chair Kate Stanley and Members of the Legislative Economic Stimulus Program Oversight Commission,

I would like to respond to some of the questions that have come up in previous meetings of this Committee and provide you with an update on my activities.

Concerns of the Committee:

*Will state entities be able to meet a September 30<sup>th</sup>, 2010 obligation deadline for most ARRA funds?*

I believe most state entities will be able to meet the September 30<sup>th</sup>, 2010 obligation deadline contained in many, but not all ARRA grants. In addition to the September 30<sup>th</sup> deadline, many ARRA grants have federal agency-level obligation and expenditure deadlines. Unfortunately this information is not summarized in a single document. To manage these multiple deadlines, I depend upon the diligence of the ARRA Coordinators at the department and agency level. Since the Committee's last meeting I have contacted all state entities who have received an ARRA grant and have asked them to review their grant for obligation deadlines and to contact me if they are concerned about meeting a deadline. I have also brought up the Committee's concern at the State ARRA Coordinator's Meeting. ARRA Coordinators have responded that they are aware of the deadlines they are facing and are working closely with their federal counterparts to meet obligation deadlines.

Please note that "obligating" funds is not the same as "expending" funds. The U.S. Government Accountability Office (GAO) expects the majority of ARRA outlays to states to occur in 2009, 2010, and 2011, with spending continuing through 2016.

*Can you add a column to indicate the level of encumbrance for state CIP and other projects?*

A column indicating the level of encumbrance will be added to all awards subject to the 1512 reporting requirements beginning August 1, 2010.

*Can you provide a list of grants where the state has "given back" funds to the federal government?*

This will be difficult to summarize across grants. A typical "give back" situation involves a state entity receiving an ARRA award but being unable to use the full amount by a specific federal agency deadline. In these cases, the federal government will amend the ARRA award notice and reduce the award by the amount of unused funds. Technically no funds are actually given back to the federal government but rather potential ARRA funds designated for Hawaii go unused and are redirected elsewhere. The best way to determine the total amount of funds "given back" would be

to compare the original ARRA "award amount" against the "sum of expenditure" amount of each grant as it closes.

*Can you explain why some job description information is cut off on the employment report?*

The cut off in data in the "description of jobs created" was a result of an error in the download process. This error has been corrected and the new August posting of the chart "Total Jobs Reported by State Entities for ARRA Awards Subject to the 1512 Reporting Requirements" will have a complete description.

### Update on my activities

*Fourth Reporting Period (April 1<sup>st</sup> to June 30<sup>th</sup>, 2010)*

We are completing the review of data submitted to federalreporting.gov by state entities who have received ARRA grants subject to the 1512 reporting process for the fourth reporting period. As you may recall we compare data reported by state entities under the 1512 process against what is in the State of Hawaii's official accounting system. Our goal is to improve data quality and thus transparency.

This reporting period we have asked state entities to provide us a copy of the job and expenditure calculation. We have also asked state entities to continue to improve the quality of their ARRA Recovery Plans.

We are still noticing a number of data quality issues and may have to issue additional guidance in the near future to address reoccurring issues.

### *New Report*

We are developing a new report that summarizes the estimated impact of ARRA on employment in Hawaii. We will begin posting this new report on August 1<sup>st</sup>.

### *State Fiscal Stabilization Funds, Part B*

I have an update from the Governor's Office on the Governor's allocation of Part B, SFSF funds. I need to convert this information into a table and will provide it to the Committee at the next scheduled meeting.

### Conclusion

This concludes my update. Thank you for the opportunity to provide the Committee with new information. I would be happy to answer any questions.

# DRAFT

## Estimated Impact of the ARRA on Employment in Hawaii

	1st Reporting Period	2nd Reporting Period	3rd Reporting Period	4th Reporting Period	Total Impact (FTE)
	Feb. 17 - Sept. 30, 2009	Oct. 1 - Dec. 31, 2009	Jan. 1 - March 31, 2010	April 1 - June 30, 2010	
Estimated total impact of the ARRA on employment in Hawaii (cumulative) <sup>1</sup>	4,200	8,000	11,000	13,000	13,000.0
Estimated direct employment impact due to ARRA grants subject to Section 1512 reporting requirements (quarterly total) <sup>2</sup>	1,544.94	3,018.80	2,561.57		> 5,580.37
Impact due to ARRA grants awarded to a <b>State of Hawaii</b> entity <sup>2</sup>	793.25	2423.46	1787.55	1855.19	> 6,066.20
Impact due to ARRA grants awarded to a <b>non-State of Hawaii</b> entity <sup>2</sup>	751.69	595.34	774.02		> 1,369.36

<sup>1</sup> Estimated overall impact of the ARRA on employment in Hawaii is from the Council of Economic Advisers "The Economic Impact of the American Recovery and Reinvestment Act of 2009 Third Quarterly Report - Supplement, Impact of the ARRA State by State, April 16, 2010". This report can be found at <http://www.whitehouse.gov/sites/default/files/microsites/CEA-3rd-arra-report-state-supplement.pdf>.

<sup>2</sup> Because of a change in job calculation methodology for Section 1512 grants between the 1st and 2nd reporting period, figures from the 1st reporting period are not comparable with latter periods. Information on how jobs are calculated can be found at [http://www.whitehouse.gov/omb/assets/memoranda\\_2010/m10-08.pdf](http://www.whitehouse.gov/omb/assets/memoranda_2010/m10-08.pdf). Information on the reporting requirements created by Section 1512 of ARRA can be found at [http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-21.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-21.pdf).