



SENATE FISCAL OFFICE  
REPORT

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## STIMULUS PROGRESS REPORT

### AN UPDATE ON RHODE ISLAND'S USE OF ARRA FUNDS

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MAY 10, 2011

# Senate Committee on Finance

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## Introduction

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On February 17, 2009 President Obama signed the American Recovery and Reinvestment Act of 2009 (ARRA) into law. Also referred to as the Recovery (or Stimulus) Act, the legislation provided \$787.0 billion in federal spending to prevent further deterioration in the national economy, provide relief to states and individuals, and create new jobs. Since the initial passage of ARRA, Unemployment Insurance (UI) benefits have been extended five times, in conjunction with extension of other tax credit, job creation, and benefits programs, and the Congressional Budget Office (CBO) has raised the cost estimate for the original ARRA provisions. In total, extensions and cost increases of ARRA provisions have added \$143.6 billion in cost to the programs, bringing the bottom line total for ARRA funding to \$930.6 billion.

Of the enacted federal expenditures, preliminary estimates indicated that ARRA would provide upwards of \$1.0 billion to Rhode Island. However, competitive grants, extensions of unemployment, nutrition assistance, and emergency aid for low-income families, and a greater than projected enhancement in the Federal Medical Assistance Percentage (FMAP) rate (extended through June 30, 2011) have increased Rhode Island's allocation to \$2.0 billion as of March 31, 2011.

### KEY FINDINGS

- Based on a Senate Fiscal staff review of the grant awards and formula funds provided to Rhode Island through ARRA, approximately half supplemented or replaced General Revenue, while the remaining half created or continued programs.
- Of total funding through March 31, 2011, approximately \$1.5 billion (74.2 percent) has been spent. Of the amount spent, \$486.6 million was for enhanced Medicaid funding while \$435.3 million was for unemployment compensation.
- According to the federal Recovery.gov database, Rhode Island has created 2,007 jobs through ARRA funding. The Rhode Island Office of Economic Recovery and Reinvestment (OERR) cites data indicating 1,064 jobs were created in the first quarter of 2011 (through March 31, 2011).
- According to the OERR, Rhode Island communities received \$217.9 million in ARRA funds through December 31, 2010. This total includes grants made to the State or quasi-public agencies and distributed to the communities, but does not include grants made directly to the communities from federal agencies or through private institutions.
- Of the \$217.9 million, Rhode Island communities received \$99.0 million in Stabilization Funds for education; \$67.3 million for special education; \$25.5 million in Clean Water and Drinking Water Revolving Funds; \$8.6 million in Energy Efficiency and Conservation Block Grants; \$5.4 million for worker training; \$4.0 million for highways; \$3.9 million for Community Development Block Grants (CDBG); \$1.8 million in criminal justice grants; and \$2.4 million for all other state programs.

This report examines the status of ARRA funding to provide an overview of the progress of the Recovery Act, and funding applied to the state budget, through the end of March 2011. Municipal awards, which are part of the total ARRA funding allocated to the State, are updated through December 31, 2010.

## STATUS OF PROGRAMS AND AWARDS AT THE STATE LEVEL

Functional Area	Total Award	Obligated	Spent**	% Spent**
Economic Development and Technology	\$43.1	\$43.1	\$32.5	75.4%
Education and Arts	183.1	183.1	58.6	32.0%
Energy and Environment	112.4	112.4	88.8	79.0%
Housing and Public Safety	58.0	58.0	42.9	74.0%
Human Services	567.8	567.8	562.2	99.0%
Job Training and Unemployment	728.3	728.3	444.4	61.0%
Stabilization Funds	164.5	164.5	120.8	73.4%
Transportation	179.4	179.4	160.6	89.5%
<b>Total ARRA Funding</b>	<b>\$2,036.6</b>	<b>\$2,036.6</b>	<b>\$1,510.8</b>	<b>74.2%</b>

*\$ in millions*

*\*\* Includes encumbered (contracts, purchase orders, or other instruments recognized by the Division of Purchasing)*

*Source: Rhode Island Office of Recovery and Reinvestment (OERR) summary data through February 28, 2011*

Throughout the report, programs and projects are divided into eight functional areas, for purposes of analysis, including:

- Economic Development & Technology;
- Education;
- Energy and Environment;
- Housing and Public Safety;
- Human Services;
- Job Training and Unemployment;
- Stabilization Funds; and
- Transportation.

Each of these areas represents a consolidation of a range of individual grant and formula programs; where possible, the programs are defined.

The following summaries provide an update as to the status and expenditure of ARRA funding in major programs. Some smaller ARRA grants are not discussed, but are included in totals in the functional area table, above.

Within the ARRA funds received, the report makes the distinction between funds that are obligated and funds that are spent. Obligated funding has been dedicated to a specific program or project and the recipients have signed documentation that commits them to use (spend) the funds by a certain date. However, obligated funds may or may not be spent.

## Economic Development and Technology

At the federal level, economic development and technology ARRA funding totals \$52.1 billion and represents 5.6 percent of total ARRA appropriations. At the state level, there are a number of programs incorporated in the Economic Development and Technology functional area which total \$43.1 million in ARRA funding, or 2.1 percent of Rhode Island's total ARRA funding.

Functional Area	Total Award	Obligated	Spent	% Spent
Alternative Energy Technology Development	\$25.3	\$25.3	\$19.3	76.3%
Information Technology for Healthcare	10.0	10.0	6.8	68.0%
Broadband Expansion	5.2	5.2	3.9	75.0%
Airport Security	2.3	2.3	2.2	95.7%
Port Security	0.3	0.3	0.3	100.0%
<b>Total ARRA Funding</b>	<b>\$43.1</b>	<b>\$43.1</b>	<b>\$32.5</b>	<b>75.4%</b>

*\$ in millions*

### **Alternative Energy Technology Development**

The purpose of this program is to develop alternative energy technology, such as wind turbines, solar arrays, hydroelectric generators, biodiesel, and other innovative technology. It is administered through direct funding to institutions of higher education and small business and grants programs at the Office of Energy Resources (\$23.3 million), and a grant program to utilities through the Public Utilities Corporation (PUC) (\$2.0 million).

**Status:** The \$25.3 million allocated to this program has been obligated: 76.3 percent of allocated funds (\$19.3 million) have been spent. To date, the Office of Energy Resources has held two rounds of grant competitions for public and private agencies and companies to develop alternative energy technology, and has awarded a total of \$3.8 million in grants. The PUC allocated its grants to Rhode Island utility companies based on population served and have distributed the full \$2.0 million. The federal Small Business Administration (SBA) and the Economic Development Administration (EDA) have awarded \$7.2 million to collaborative efforts at New England Institute of Technology and the University of Rhode Island to develop alternative technologies, and \$6.3 million to small businesses for testing of new products, primarily fuels for heating and transportation.

### **Information Technology for Healthcare**

This program provides grants to hospitals and community health centers for development of an expanded network of patient information sharing and state-of-the-art diagnostics.

**Status:** The funding for this program was delivered through a partnership between Brown University and the hospitals and health centers of Rhode Island. The program required specific plans focusing on improved communications with patients and between doctors. The first grants have been paid to purchase accelerated graphics computers for non-profit health centers in Rhode Island.

**What's Next?** Two more grant phases will be funded before the end of FY2011, including \$5.0 million for medical imaging at hospitals and \$3.7 million for a program to improve patient information sharing between the hospitals.

### ***Broadband Expansion***

Rhode Island, through the Economic Development Corporation (EDC), was awarded a grant (\$1.5 million) to expand broadband technology, allowing Rhode Island to make plans to become the first state to have wireless access border-to-border. Additionally, federal sources made \$3.6 million in direct grants to municipalities, private businesses and non-profits.

**Status:** Of the EDC grant, \$812,158 has been expended, to date, but the whole amount is encumbered and will be used before the end of FY2011. Although private and municipal grant awards have been accepted, the funding will not be paid to recipients until the projects are completed. To date, \$3.1 million in private and municipal grant awards have been reimbursed.

### ***Airport Security***

This program provides grants to upgrade explosives detection, passenger screening technology, and runway lighting and security in airports.

**Status:** Of the total \$2.3 million grant for airport security, \$2.2 million has been spent through the Rhode Island Airport Corporation (RIAC), with oversight from the Federal Aviation Administration. RIAC has used the funds to improve runway security at the small airports in Rhode Island, in conjunction with ongoing terminal renovation projects. The remainder will be spent to complete the two projects, which are under construction at Quonset State Airport and Newport State Airport.

### ***Port Security***

This program will allow for the study of Rhode Island ports and the security measures necessary to protect the State from illicit entry or smuggling of contraband items.

**Status:** Although the \$282,000 grant is spent, implementation of the project has been slowed by the lack of a cohesive policy for port security in Rhode Island. The first step taken, in 2010, was to hire consultants to study port security issues. The Port of Providence, as the only public port operation in Rhode Island, has been the focus of the project, which is being administered by the Rhode Island Emergency Management Agency (RIEMA).

**What's Next?** Additional funding may be received through a competitive process, and applications for port security funds have been submitted to the Department of Homeland Security. The initial \$282,000 grant was spent in FY2010.

## Education and Arts

At the federal level, education and arts ARRA funding totals \$51.7 billion and represents 5.6 percent of total ARRA appropriations. (This does not include State Stabilization Fund appropriations, which are examined as a separate program.) At the state level, Education and Arts funding through ARRA totals \$183.1 million, or 9.0 percent of Rhode Island's total ARRA funding.

Functional Area	Total Award	Obligated	Spent	% Spent
Race to the Top	\$75.0	\$75.0	\$2.2	2.9%
Title I	33.7	33.7	25.3	75.1%
IDEA	41.5	41.5	31.1	74.9%
Education Jobs Fund	32.9	32.9	-	0.0%
<b>Total ARRA Funding</b>	<b>\$183.1</b>	<b>\$183.1</b>	<b>\$58.6</b>	<b>32.0%</b>

*\$ in millions*

### Race to the Top

ARRA provides \$4.4 billion for a competitive grant program called Race to the Top. The purpose of these grants is to encourage and reward states that are creating the conditions for education innovation and reform; achieving significant improvements in student outcomes, including making substantial gains in student achievement, closing achievement gaps, improving high school graduation rates, and ensuring student preparation for success in college and careers; and implementing ambitious plans in core education reform areas.

Rhode Island was selected in the second round for a total of \$75.0 million in ARRA funding, which may be used over the next four years.

**Status:** Race to the Top funds have been fully obligated. The Department of Elementary and Secondary Education (RIDE) has developed a plan for use of the funds. The table below shows the Department's proposal. As allowed under federal regulation, approximately 3.0 percent of the funding allocated to LEAs (\$1.1 million) will be paid to the Department as administrative costs to fund statewide initiatives to complement LEA-projects.

Race to the Top - Summary Budget Table

Budget Categories	Project Year 1	Project Year 2	Project Year 3	Project Year 4	Total
1. Personnel	\$1,554,450	\$1,601,084	\$1,649,116	\$1,698,589	\$6,503,239
2. Fringe Benefits	765,567	788,533	812,190	836,555	3,202,845
3. Travel	6,000	6,000	6,000	6,000	24,000
4. Equipment	50,000	-	-	-	50,000
5. Supplies	30,000	30,000	30,000	30,000	120,000
5. Contractual	4,934,377	6,527,546	5,233,009	3,586,466	20,281,398
7. Training Stipends	-	-	-	-	-
8. Other	786,000	500,000	500,000	-	1,786,000
<b>9. Total Direct Costs (lines 1-8)</b>	<b>\$8,126,394</b>	<b>\$9,453,163</b>	<b>\$8,230,315</b>	<b>\$6,157,610</b>	<b>\$31,967,482</b>
10. Indirect Costs	405,949	377,990	387,251	332,192	1,503,382
11. Funding for Involved LEAs	-	-	-	-	-
12. Supplemental Funding for Participating LEAs	4,029,136	-	-	-	4,029,136
<b>13. Total Costs</b>	<b>\$12,561,479</b>	<b>\$9,831,153</b>	<b>\$8,617,566</b>	<b>\$6,489,802</b>	<b>\$37,500,000</b>
14. Funding Subgranted to Participating LEAs (50.0% of Total Grant)	LEA Funding will be disbursed for services rendered according to approved timelines in LEA work plans.				37,500,000
<b>15. Total Budget (lines 13-14)</b>					<b>\$75,000,000</b>

Source: RI Department of Elementary & Secondary Education

***Title I***

ARRA contains \$33.7 million for economically disadvantaged students in Rhode Island, which is distributed to school districts based on a district's percentage of poor children. FY2011 is the last year that these ARRA funds are available.

**Status:** \$25.3 million of the total for Title I funding was spent in FY2010. The remaining \$8.4 million will be distributed, by formula, to each community and school district in FY2011. (*see table, page 7*)

***IDEA***

ARRA contains \$41.5 million for Rhode Island students with disabilities under the Individuals with Disabilities Education Act (IDEA) distributed using three existing formula-driven programs to local education agencies. FY2011 is the last year that these ARRA funds are available.

**Status:** \$31.1 million of the total for Title I funding was spent in FY2010. The remaining \$10.4 million will be distributed, by formula, to each community and school district in FY2011. (*see table, page 7*)

***Education Jobs Fund***

On August 10, 2010, Congress created the Education Jobs Fund, a new \$10.0 billion program designed to save or create education-related jobs during the coming school year. Rhode Island has been awarded \$32.9 million in FY2011 from this Fund, which has been fully encumbered.

The guidance promulgated by the federal government states that the funds may be used only for compensation and benefits of school-based personnel. Some examples from the guidance are rehiring laid-off employees, hiring new employees, and retaining existing employees. The personnel could be any that provide school-level educational and related services such as teachers, janitors, bus drivers, principals, classroom aides, athletic coaches, security workers, librarians, interpreters, and speech therapists. Some examples of allowable expenses are salaries, performance bonuses, health insurance, retirement benefits, pension fund contributions, tuition reimbursement, student loan repayment assistance, transportation subsidies, and reimbursement for childcare expenses.

Federal rules allow RIDE to keep 2.0 percent of the award (\$658,586) from the program for administrative costs. The table on page 8 shows the proposed distribution of funds by LEA (Local Education Authority).

*Analyst's Note: As part of the FY2012 Budget proposal, the Governor recommends \$27.0 million in FY2011 and \$5.9 million to be transferred from the federal Education Jobs Fund to supplant general revenue in the education funding formula. Although the bulk of the funds are budgeted for FY2011, the Department believes that communities will delay using these funds until FY2012, and the Governor's budget proposal uses the entire available balance of these funds to supplant general revenue in FY2012.*

**FY2010 Revised and FY2011**  
**Direct Title I and IDEA Federal Stimulus to School Districts**

City/Town	Title I			IDEA		
	FY2010 Revised	FY2011	Total	F2010 Revised	FY2011	Total
Barrington	\$0.0	\$0.0	\$0.0	\$529,857.0	\$176,619.0	\$706,476.0
Burrillville	183,701	61,234	244,935	526,417	175,472	701,889
Central Falls	1,492,474	497,491	1,989,965	727,838	242,613	970,451
Charlestown	-	-	-	-	-	-
Coventry	223,497	74,499	297,996	982,114	327,371	1,309,485
Cranston	1,201,951	400,650	1,602,601	2,208,097	736,032	2,944,129
Cumberland	216,149	72,050	288,199	920,155	306,718	1,226,873
East Greenwich	-	-	-	430,961	143,654	574,615
East Providence	645,326	215,109	860,435	1,352,490	450,830	1,803,320
Foster	19,595	6,532	26,127	70,852	23,617	94,469
Glocester	49,598	16,533	66,131	161,471	53,824	215,295
Hopkinton	-	-	-	-	-	-
Jamestown	-	-	-	142,898	47,633	190,531
Johnston	285,954	95,318	381,272	737,162	245,721	982,883
Lincoln	165,940	55,313	221,253	640,701	213,567	854,268
Little Compton	21,431	7,144	28,575	88,004	29,335	117,339
Middletown	105,932	35,311	141,243	452,813	150,938	603,751
Narragansett	85,725	28,575	114,300	333,808	111,269	445,077
Newport	304,211	101,404	405,615	583,480	194,493	777,973
New Shoreham	6,124	2,041	8,165	19,331	6,444	25,775
North Kingstown	202,067	67,356	269,423	778,836	259,612	1,038,448
North Providence	288,403	96,134	384,537	745,148	248,383	993,531
North Smithfield	61,844	20,615	82,459	288,329	96,110	384,439
Pawtucket	2,404,181	801,394	3,205,575	2,317,509	772,503	3,090,012
Portsmouth	-	-	-	465,476	155,159	620,635
Providence	13,806,015	4,602,005	18,408,020	6,536,612	2,178,871	8,715,483
Richmond	-	-	-	-	-	-
Scituate	73,480	24,493	97,973	324,281	108,094	432,375
Smithfield	-	-	-	494,718	164,906	659,624
South Kingstown	142,672	47,557	190,229	716,847	238,949	955,796
Tiverton	89,399	29,800	119,199	375,713	125,238	500,951
Warwick	656,855	218,952	875,807	2,244,215	748,072	2,992,287
Westerly	175,124	58,375	233,499	624,332	208,111	832,443
West Warwick	369,842	123,281	493,123	796,511	265,504	1,062,015
Woonsocket	1,630,520	543,507	2,174,027	1,498,025	499,342	1,997,367
Bristol-Warren	192,269	64,090	256,359	756,236	252,079	1,008,315
Chariho	129,812	43,271	173,083	638,741	212,914	851,655
Exeter-W. Greenwich	-	-	-	352,933	117,644	470,577
Foster-Glocester	58,171	19,390	77,561	252,283	84,094	336,377
<b>Total</b>	<b>\$25,288,262</b>	<b>\$8,429,424</b>	<b>\$33,717,686</b>	<b>\$31,115,194</b>	<b>\$10,371,735</b>	<b>\$41,486,929</b>

## Education Jobs Fund

District	Allocation Distribution
Barrington	\$80,453
Burrillville	598,764
Central Falls	1,969,619
Charlestown	66,473
Coventry	829,477
Cranston	1,530,264
Cumberland	542,840
East Greenwich	60,142
East Providence	1,124,364
Foster	59,261
Glocester	135,039
Hopkinton	239,607
Jamestown	17,559
Johnston	440,076
Lincoln	288,938
Little Compton	13,144
Middletown	438,250
Narragansett	64,722
New Shoreham	2,501
Newport	495,479
North Kingstown	486,804
North Providence	554,729
North Smithfield	198,918
Pawtucket	2,878,291
Portsmouth	273,250
Providence	8,683,552
Richmond	239,469
Scituate	133,191
Smithfield	223,988
South Kingstown	420,852
Tiverton	241,531
Warwick	1,533,605
West Warwick	864,504
Westerly	261,313
Woonsocket	2,034,796
Regional School Districts	1,483,930
Charter Schools (a), (b)	1,209,467
State Schools	1,551,564
Administrative Costs	658,586
<b>Total</b>	<b>\$32,929,312</b>

(a) Allocations for District-Sponsored Charter Schools are included in the sponsoring district's allocation.

(b) Future changes to charter school aid based on October 1 enrollment data will not change the Education Jobs Fund allocation.

Source: RI Department of Elementary & Secondary Education

## Energy and Environment

At the federal level, Energy and Environment ARRA funding totals \$58.7 billion and represents 6.3 percent of total ARRA appropriations. At the state level, Energy and Environment funding totals \$112.4 million, or 5.5 percent of Rhode Island's total ARRA funding.

Functional Area	Total Award	Obligated	Spent	% Spent
State Energy Plan	\$14.0	\$14.0	\$3.8	27.1%
Appliance Rebate Program	2.5	2.5	2.5	100.0%
Weatherization for Low Income Persons	26.2	26.2	18.6	71.0%
Energy Efficiency & Conservation Block Grants	5.2	5.2	1.4	26.9%
State Energy Assurance & Smart Grid Planning	0.1	0.1	0.1	100.0%
Clean Water Revolving Fund	30.4	30.4	30.4	100.0%
Drinking Water Revolving Fund	30.4	30.4	30.4	100.0%
Other	3.6	3.6	1.6	44.4%
<b>Total ARRA Funding</b>	<b>\$112.4</b>	<b>\$112.4</b>	<b>\$88.8</b>	<b>79.0%</b>

*\$ in millions*

Of the \$102.4 million in ARRA funds allocated to Energy & Environment, \$48.0 million will be distributed to four Energy programs:

### **Energy - State Energy Plan**

The purpose of this \$14.0 million program is to develop new and/or refine existing plans to integrate new energy portfolios and new applications into energy assurance and emergency preparedness plans.

**Status:** There have been delays related to hiring of personnel and the adoption of a State Energy Plan. Implementation of the plan began during the summer of 2010, and a Request for Proposals to non-profits, colleges, and private companies to develop technologies has been issued. The Energy Office expects to receive applications on a rolling basis going forward over the next year, and expects to make awards to private companies for projects that expand the State's capacity for energy generation and reduce energy consumption. The Energy Office expects the full balance of funds to be issued by the end of FY2012, within program guidelines.

### **Energy - Appliance Rebate Program**

This \$2.5 million program provided grants for a state rebate program for new energy star qualified home appliances to make homes more energy efficient and to support the State's economic recovery.

**Status:** The appliance rebate program has been implemented and all funds have been spent. There were two rounds of voucher applications for appliance rebates: one in March 2010 and the other in June 2010.

### **Energy - Weatherization for Low Income Persons**

This \$26.2 million program has three components. The first, which totals \$10.0 million, is coordinated through community agencies such as the Local Initiative Support Corporation (LISC) and community development corporations (CDCs) statewide, and provides energy audits and improvements for low-income single family homes. The second component, totaling \$6.2 million, is being managed in conjunction with Rhode Island Housing (RIH) and is intended to provide energy audits and improvements for low-income multi-family housing statewide. The third component provided additional weatherization funds through the State's ongoing program (LIHEAP, the Low Income Heating Assistance Program) in conjunction with the Community Action Programs (CAPs).

**Status:** The \$10.0 million for weatherization for single family homes has been both obligated and spent, despite a slow start in using the ARRA funding because prior-year grants had not yet been expended. The delays were due to retirements and resignations of staff in 2009. Between March 2010 and September 2010, the Office of Energy Resources awarded \$10.0 million for the energy audits and subsequent weatherization of 1,050 housing units.

Rhode Island Housing issued an RFP for developments to submit applications for program participation for the multi-family component. The 50 applicants represented more than 550 housing units: 14 were chosen for immediate (priority) implementation. Energy audits are underway, resulting in additional insulation, window replacement, appliance replacement, or other measures. Project managers must certify completion prior to May 15, 2011 to meet both state and federal requirements. To date, \$3.4 million has been spent on the multi-family weatherization component of the program.

The full \$10.0 million in additional LIHEAP funding has been obligated, but not yet spent. It will be distributed to the CAPs based on local need (applications of those at or below 125 percent of the Federal Poverty Level (FPL)), with \$5.2 million spent as of March 31, 2011.

### ***Energy - Energy Efficiency & Conservation Block Grants***

This \$5.2 million program offers local government financial and technical assistance to create and implement a variety of energy efficiency and conservation projects.

**Status:** Contractors were selected on February 18, 2011, to allow local governments and housing authorities to conduct additional energy audits. The development of this RFP was delayed over the spring and summer of 2010 as the State was still awaiting guidance from the federal Department of Housing and Urban Development (HUD). Of the total, \$1.4 million had been spent at the end of March 2011.

### ***Energy - State Energy Assurance & Smart Grid Resiliency Planning***

This program, totaling \$96,413, is intended to improve energy emergency preparedness plans and grid solvency.

**Status:** This program has been fully implemented and funds spent.

The two major grants categorized as environmental programs are additional capitalization funds for existing loan funds with the purpose of upgrading septic and water systems in order to preserve and remediate the State's water supply and Narragansett Bay.

### ***Environment - Clean Water Revolving Fund & Drinking Water Revolving Fund***

ARRA funds will provide \$60.8 million for two existing state programs: the Clean Water Revolving Fund (\$26.3 million) and the Drinking Water Revolving Fund (\$19.7 million), with an additional \$14.8 million allocated to loan forgiveness for existing loans greater than 10 years old.

**Status:** These programs have both been fully implemented. The agreements with communities to forgive balances have been forwarded to the individual municipalities and water districts, while the balance of funds has been shifted to the existing revolving loan accounts and no longer exist as separate grants. Most of the loans to be forgiven have been outstanding for 10 to 20 years, to date, and have been low interest loans. The Clean Water Finance Agency (CWFA) administers the loans.

## Housing and Public Safety

Housing and public safety ARRA funding totals \$19.9 billion and represents 2.1 percent of total ARRA appropriations. (This does not include State Stabilization Fund appropriations, which are examined as a separate program.) At the state level, Housing and Public Safety funding totals \$58.0 million, or 2.8 percent of Rhode Island's total ARRA funding.

Functional Area	Total Award	Obligated	Spent	% Spent
Section 1602 Grants - Housing Tax Credits	\$36.9	\$36.9	\$25.3	68.6%
TCAP - Housing Tax Credits	11.9	11.9	11.9	100.0%
Byrne Grants	9.2	9.2	5.7	62.0%
<b>Total ARRA Funding</b>	<b>\$58.0</b>	<b>\$58.0</b>	<b>\$42.9</b>	<b>74.0%</b>

### *Housing – Tax Credits*

Rhode Island Housing is administering two types of federal tax credit programs, in addition to the Low Income Housing Tax Credits (LIHTC), which the agency administers annually.

- **Section 1602 Grants** (\$36.9 million) are intended to replace LIHTC funding for projects that include low income housing units, but where investors are not buying tax credits due to the downturns in the financial markets.
- **Tax Credit Assistance Program (TCAP)** (\$11.9 million) is a program designed to encourage investors to infuse low income housing developments with capital by increasing the value of existing, available tax credits.

**Status:** All housing tax credits have been committed to specific projects, with \$11.6 million remaining to be spent in the spring of 2011, as construction milestones are reached. The lack of financial backing in the housing market has made programs which increase the value of tax credits very attractive. Nationally, more than 95.0 percent of funds from these programs are spent.

### *Public Safety – Edward Byrne Memorial Justice Assistance Grants*

ARRA increased Byrne Grant funding to drug task forces and drug crime investigation at both the state and municipal level. Rhode Island will receive \$9.2 million over the course of FY2010 and FY2011, with \$5.7 million in FY2010 and \$3.5 million in FY2011.

**Status:** The Byrne grant funds were distributed to both statewide and municipal projects in FY2010, and will be allocated through a similar distribution method again in FY2011. To date, the FY2010 funds (\$5.7 million) have been paid out, including \$3.0 million for statewide projects, such as transitional programs for offenders through Corrections, DCYF, and BHDDH, along with State Crime Lab database upgrades and access to employment for offenders; \$2.1 million for municipal police departments; and \$573,000 for indirect cost recoveries and administration.



## Human Services

At the federal level, most of the funding provided for Human Services programs through ARRA is in the form of Entitlements.

*Analyst's Note: An Entitlement is legislation that requires the payment of benefits (entitlements) to any person or unit of government that meets defined eligibility requirements established under law.*

Human services ARRA funding totals \$143.5 billion, with \$121.2 billion of the total from entitlements. Human services expenditures represent 15.4 percent of total ARRA appropriations, including extensions. At the state level, Human Services ARRA funds total \$567.8 million, or 27.9 percent of Rhode Island's total ARRA funding.

<b>Functional Area</b>	<b>Total Award</b>	<b>Obligated</b>	<b>Spent</b>	<b>% Spent</b>
FMAP Increase	\$486.6	\$486.6	\$486.6	100.0%
SNAP	73.1	73.1	67.8	92.7%
TANF Emergency Contingency Funds	8.1	8.1	7.8	96.3%
<b>Total ARRA Funding</b>	<b>\$567.8</b>	<b>\$567.8</b>	<b>\$562.2</b>	<b>99.0%</b>

*\$ in millions*

### ***FMAP Extension***

The federal government's share of Medicaid spending in each state is determined by the Federal Medical Assistance Percentage, or FMAP. Each state's FMAP is determined using a formula that compares the state's average per capita income to the national average per capita income: states with lower income compared to the national average receive more federal financial participation through a higher FMAP. A state whose average per capita income is equal to the national average has an FMAP of 55.0 percent. (A state's FMAP can never be lower than 50.0 percent or higher than 83.0 percent; for federal fiscal year (FFY) 2011 the highest FMAP is Mississippi's, at 74.73 percent.) Rhode Island's FMAP is 52.63 percent in FFY2010 and 52.97 percent in FFY2011.

ARRA provided a temporary increase in the FMAP in three ways. First, a "hold harmless" provision eliminated any formulaic decreases in the state's FMAP. Second, each state received an across-the-board increase of 6.2 percentage points. Finally, each state received a bonus based on the state's level of unemployment. For FFY2010 and FFY2011, Rhode Island received the maximum 5.1 percentage point unemployment bonus. Rhode Island's ARRA FMAP for FFY2010 is 63.93 percent. The ARRA FMAP for state fiscal year 2010 is a blend of the FFY2009 and FFY2010 rates, and was equal to 63.92 percent.

ARRA enhanced FMAP funding was scheduled to end as of December 31, 2010, but on August 10, 2010, Congress adopted a stepped-down extension for an additional six months, through June 30, 2011.

<b>SFY</b>	<b>Federal share</b>	<b>ARRA bonus</b>	<b>State share</b>
2005	56.10%		43.90%
2006	54.68%		45.32%
2007	52.88%		47.12%
2008	52.47%		47.53%
2009	52.57%	8.48%	38.95%
2010	52.62%	11.30%	36.08%
2011	52.89%	9.37%	37.74%
2012	52.33%		47.67%

In total, Rhode Island will receive an estimated \$486.6 million in enhanced FMAP payments between FY2009 and FY2011: this total may vary due to the State's actual expenditures for eligible costs.

**Status:** As of March 31, 2011, the State had spent \$486.6 million on Medicaid services funded through the enhanced FMAP. The increased federal share has resulted in an equivalent reduction in general revenue funding that would otherwise be needed to provide services.

### ***Supplemental Nutrition Assistance Program (SNAP)***

The federal government has been marketing the availability of Supplemental Nutrition Assistance Program (SNAP) assistance, the program formerly known as "food stamps", resulting in an increase in federal funding, based on increased participation. In calendar year 2010, Rhode Island saw a 67.4 percent increase in those using SNAP assistance. ARRA funding will provide \$73.1 million for SNAP through December 31, 2011.

**Status:** To date, \$67.8 million in SNAP funding has been used to supplement existing SNAP block grant funds and provide nutrition for those who qualify. Since individuals who apply for SNAP benefits may do so confidentially, it is one of the most requested human services benefits.

### ***TANF Emergency Contingency Fund***

ARRA established the Emergency Contingency Fund (ECF) for State Temporary Assistance to Needy Families (TANF) Programs. States can access emergency contingency funds based on increased expenditures in each of three categories: basic assistance, non-recurrent short-term payments, and subsidized employment. The Rhode Island Department of Human Services focused on establishing a subsidized employment program.

The limit on federal funding through this program is equal to 50.0 percent of the overall TANF block grant: for Rhode Island, this amounts to approximately \$47.5 million. The State requested approximately \$600,000 in ECF funding for additional child care subsidies and program costs, leaving about \$46.9 million available to be drawn down. In addition, the federal government has approved the subsidized employment program at \$7.5 million.

**Status:** To date, \$7.8 million in TANF ECF funds have been expended, with another \$310,000 encumbered. \$620,000 was spent on child care subsidies and \$7.2 million on subsidized employment.

More than a dozen states nationally were also unable to take advantage of the full TANF ECF allocation: as of September 30, 2010, the funding lapsed and no further funding will be approved. In Rhode Island, this amounted to the loss of \$39.2 million in ARRA funds.

## Job Training and Unemployment

Job training and unemployment ARRA funding totals \$117.7 billion and represents 12.7 percent of total ARRA appropriations. Most of the funding is allocated to providing direct payments through extension of unemployment benefits (\$87.3 billion) and payment of health insurance premiums (COBRA) for the unemployed (\$25.1 billion). The remaining \$5.3 billion is targeted to worker training and interest waivers for state unemployment trust fund payments. At the state level, Job Training and Unemployment funds account for \$728.3 million in ARRA funding, or 35.8 percent of Rhode Island's total ARRA funds.

Functional Area	Total Award	Obligated	Spent	% Spent
Unemployment Insurance	\$719.2	\$719.2	\$435.3	60.5%
Job Training and Other Programs	9.1	9.1	9.1	100.0%
<b>Total ARRA Funding</b>	<b>\$728.3</b>	<b>\$728.3</b>	<b>\$444.4</b>	<b>61.0%</b>

*\$ in millions*

### **Unemployment Insurance**

The federal government has provided additional funding for extended Unemployment Insurance (UI) compensation, in some cases for as long as 99 weeks. Since the initial passage of ARRA, UI benefits have been extended five times, in conjunction with extension of other tax credit, job creation, and benefits programs. Without additional federal authorization, federally-funded Emergency Unemployment Compensation (EUC) funding expired on December 31, 2010: no additional individuals will be accepted to the EUC program unless Congress approves further extensions. Payment of existing approved EUC claims at the state level continues through March 2011.

**Status:** To date, 18.0 FTE positions have been hired by the Department of Labor and Training to help manage claims related to ARRA Unemployment extensions. In 2011, an additional 7.0 FTE will be hired on a limited basis to assist with the processing of claims. The positions were advertised and 5.0 FTE employees, funded through ARRA, were hired, with 2.0 FTE positions remaining to fill.

While at one time (Spring 2009) call wait times were more than an hour, current weekly reports indicate that the wait time has been reduced to approximately 20 minutes. As of March 31, 2011, \$435.3 million from all ARRA funds allocated to DLT had been spent, with additional funding made available from the federal government each month to cover current levels of unemployment (11.0 percent, March 2011).

### **Job Training and Other Programs**

Two workforce training initiatives, totaling \$9.1 million, were also components of ARRA funding related to employment and training. The Wagner-Peyser fund supports training and summer youth work opportunities, and will expire June 30, 2011. ARRA Workforce Investment Act (WIA) funding is intended to supplement existing WIA programs to provide on the job training, along with training and education for specific growth industries. The ARRA WIA program expires on September 30, 2011.



## Stabilization Funds

Stabilization funds provided through ARRA total \$53.6 billion and represent 5.8 percent of total ARRA appropriations. This ARRA program differs from any other, in that it specifically allocates a share of the state-level appropriations to programs based on a ratio: 81.8 percent must be allocated to the Education Stabilization Fund, while 18.2 percent must be allocated to the Government Services Fund. At the state level, Stabilization Funds account for \$164.5 million, or 8.1 percent of total Rhode Island ARRA funding.

Federal Stabilization funds include money for local education aid, public safety, and fire safety capital projects at URI, RIC, and CCRI. A total of \$164.5 million in stabilization funding was directed to Rhode Island. The funds were intended to help state and local governments maintain critical services despite reduced revenue collections.

Functional Area	Total Award	Obligated	Spent	% Spent
Local Education Aid	\$107.6	\$107.6	\$76.5	71.1%
Higher Education	27.3	27.3	14.7	53.8%
Public Safety	29.6	29.6	29.6	100.0%
<b>Total ARRA Funding</b>	<b>\$164.5</b>	<b>\$164.5</b>	<b>\$120.8</b>	<b>73.4%</b>

*\$ in millions*

### Local Education Aid

Between FY2009 and FY2011, the State will use \$107.6 million in Stabilization Funds to supplant general revenue distributed to local school districts. The use of the funds to replace general revenue helps to insure that further reductions in local education assistance will not be necessary, thereby meeting the requirements of the ARRA Stabilization Fund.

**Status:** All funds have been allocated to municipalities and school districts in place of general revenue funding, and the program is considered to be fully implemented, with \$76.5 million spent.

### Higher Education

In total, over two years (FY2010 and FY2011), Higher Education was scheduled to receive \$27.3 million, or 16.6 percent, of the total \$164.9 million in Stabilization Funds. The General Assembly allocated the Higher Education share of the funding between URI, RIC, and CCRI based on the square footage of academic buildings that require fire safety improvements. The following table shows the distribution of the funds, along with the square footage of the academic buildings used to calculate the distribution.

Higher Education Stabilization Funds FY2010 and FY2011 Distribution				
Academic Institution	Square Footage of Academic Buildings	FY2010 Distribution	FY2011 Distribution	Two-Year Total
- University of Rhode Island	1,808,090	\$7.2	\$5.0	\$12.2
- Rhode Island College	1,435,938	5.7	3.9	9.6
- Comm. College of Rhode Island	817,100	3.2	2.3	5.5
<b>Total</b>	<b>4,061,128</b>	<b>\$16.1</b>	<b>\$11.2</b>	<b>\$27.3</b>

*\$ in millions. Totals may vary due to rounding*

**Status:** Less than 10.0 percent of the FY2010 allocation was actually spent, due to delays in engineering and planning for the projects. The three institutions: URI, RIC, and CCRI, have now completed engineering for fire protection renovations and have moved into the construction phase, with all projects expected to be completed by the end of June 2011. It is expected that the institutions will

complete work and appropriate documentation prior to the September 30, 2011 federal program termination.

***Public Safety***

Rhode Island targeted \$29.6 million in Stabilization Funds to public safety functions in FY2009 and FY2010.

**Status:** All of the Stabilization Funds allocated to public safety were expended by the close of FY2010 and were used to supplant general revenue: \$20.0 million in Corrections and \$9.6 million in Public Safety.

## Transportation

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At the federal level, ARRA transportation funding totals \$46.9 billion and represents 5.0 percent of total ARRA appropriations. The largest share of funding in this category is allocated to highway and bridge construction projects through the Federal Highway Administration (\$27.5 billion), while the remaining funds are targeted to public transit and rail improvements through the Federal Transit Administration (\$19.4 billion).

At the state level, a total of \$179.4 million in ARRA funding (8.8 percent) of state ARRA funding was allocated to highway improvement, public transit, and commuter rail in Rhode Island. Although all of the funding is obligated, a number of projects will be ongoing through FY2012, due to the seasonal nature of construction in New England and the complexity and duration of some of the projects, which had been engineered and approved but not selected to receive funding through the annual highway repair budget.

Functional Area	Total Award	Obligated	Spent	% Spent
Highway Infrastructure Improvement	\$137.1	\$137.1	\$127.6	93.1%
Public Transit	37.7	37.7	33.0	87.5%
Commuter Rail	4.6	4.6	-	0.0%
<b>Total ARRA Funding</b>	<b>\$179.4</b>	<b>\$179.4</b>	<b>\$160.6</b>	<b>89.5%</b>

*\$ in millions*

### **Highway Infrastructure Improvement**

\$137.1 million was granted to highway projects through the Highway Infrastructure Improvement (HII) fund, administered by the Federal Highway Works Administration (FHWA).

**Status:** Initially, 54 projects were funded. By April 2, 2010, all of the original 54 projects were either active or out to bid. Because the projects already awarded were bid below cost, due to current economic conditions, the Department was able to dedicate the savings of \$12.4 million in ARRA funds to eight additional projects from the approved Transportation Improvement Program (TIP).

As of April 8, 2011, all 62 projects are either under construction or out to bid. The FHWA has established a much less restrictive deadline for use of ARRA funds than other federal cabinet agencies, so that DOT expects to complete the last project funded through ARRA dollars in the spring of 2013 (FY2012). Nine projects have been completed.

<b>DOT ARRA Projects</b>	
<b>Project Category</b>	<b>Funding</b>
Resurfacing	\$62.0
Bridge Rehabilitation	13.1
Signing Improvements	10.4
Bridge Preventative Maintenance	9.4
Sidewalk Improvements	6.3
Interstate	6.0
Highway Reconstruction	5.3
Traffic Signal Improvements	5.0
Highway Striping	4.3
Pavement Management	4.1
Enhancements	3.6
Environmental Preventative Maintenance	2.9
Drainage Improvements	1.7
Guardrail Repairs	1.2
Traffic Monitoring/Required Reporting	1.1
Traffic Monitoring/Congestion Relief	0.5
Traffic Safety Program	0.2
<b>Total</b>	<b>\$137.1</b>

*\$ in millions*

### ***Public Transit***

The Rhode Island Public Transit Authority (RIPTA) received \$37.7 million in ARRA funds for a range of projects including bus replacement and energy conservation. RIPTA's ARRA funds were allocated by the Federal Transit Administration (FTA). Most of the projects have been initiated. Some, such as the order of the new hybrid buses, are dependent upon the manufacturer for delivery.

**Status:** Of the total funds allocated to RIPTA through ARRA, all but \$4.1 million for Phase III projects have been expended. The \$23.6 million dedicated to the Hybrid buses is currently in an escrow account, awaiting bus delivery prior to payment. The remaining \$4.1 million in Phase III projects will be completed by the end of FY2011.

## RIPTA - Transit Funds - ARRA

Phase	Project	ARRA Funds
Phase I	Hybrid Buses	\$23,600,000
Phase I	Engine Retrofits	1,500,000
Phase II	Paratransit Operations and Support Center	1,200,000
Phase II	Kennedy Plaza Renovations	900,000
Phase II	Elmwood Facility Repairs and Upgrades ( <i>Energy Efficiency and Green Energy</i> )	2,300,000
Phase II	Support Vehicles	200,000
Phase III	Bus Washes	600,000
Phase III	Support Equipment	1,800,000
Phase III	Bus Rapid Transit Corridor	1,700,000
	Administration	3,300,000
	<b>Total</b>	<b>\$37,100,000</b>

**Commuter Rail**

Rhode Island also received an additional \$4.6 million allocation of ARRA funding to help extend commuter rail service from Providence to the Warwick Intermodal Train Station (WITS) and Wickford Junction in North Kingstown.

**Status:** Funding for commuter rail has been obligated, but will not be spent until the Wickford Junction project has progressed. ARRA funds will be used to pay Amtrak for installing a third rail platform and track at Wickford Junction to prevent conflicts between freight and commuter trains. This component of the project will be constructed late in FY2011 and early in FY2012.

## Job Creation and Retention

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Since February 2009, the State had filled a total of 175.0 Full Time Equivalent (FTE) positions through ARRA funding. As of March 31, 2011, 160.0 FTE positions are attributed to ARRA grants, while 17.0 FTE positions had a term of a year or less. Of the existing 160.0 FTE positions, 100.5 FTE positions will exhaust funding in FY2011, 29.5 FTE positions will exhaust funding in FY2012, 28.0 FTE positions will exhaust funding in FY2013.

ARRA - Filled Positions	
Department	FTEs
Transportation	79.0
Labor & Training	24.0
Health	16.0
Administration	8.0
Environmental Management	7.0
Public Utilities	2.0
Human Services	18.0
Executive Office	5.0
Education	1.0
<b>Total</b>	<b>160.0</b>

Recipient-reported data filed as part of the 1512 and 1513 reports indicates that between January 1, 2011 and March 31, 2011, Rhode Island created 1,655 FTE jobs in both the private and public sector, as reported in the federal Recovery.gov database. This figure includes the 175.0 FTE positions at the state level.

There is ongoing discussion regarding the federal requirements for jobs creation and retention reporting. Initially, guidance provided by the Office of Management and Budget (OMB) required recipients to report a Full Time Equivalent (FTE) estimate determined by summing all hours worked in current and prior reporting quarters divided by the sum of all full-time hours in the current and prior quarters. Updated guidance, issued on December 18, 2009, requires a similar calculation, but only for the current reporting quarter.

*“In calculating an FTE, the number of actual hours worked in funded jobs are divided by the number of hours representing a full work schedule for the kind of job being estimated.”(OMB memorandum, December 18, 2009)*

According to Recovery.gov staff, there is no verification process for the data used to calculate FTE estimates, and no requirement or standard against which a full work schedule for specific types of jobs are measured. In some states, this has translated into an exaggerated number for the creation or retention of FTE jobs, while in other states, some job retention or creation may go unreported. In all states, there is the potential that data reported directly through private and local recipients may differ and may also show significant variance from the standards used for calculating FTE jobs at the state level.

Job creation and retention at the federal level is not estimated for the Entitlement or Tax Benefit categories, but in Rhode Island, state jobs created through ARRA funding are not separated between the Contracts, Grants, and Loans (CGL) and Entitlement categories of ARRA funding. Complicating comparisons further, the Section 1513 reports required to be made by the federal Council of Economic Advisors (CEA) include jobs created from all sources of ARRA funds, and many, but not all, states include some types of Entitlement funding in their FTE job estimates.

The State of Rhode Island estimates FTE jobs based on a 35 hour work week. A reporting quarter would be comprised of approximately 420 hours (35 hours a week for 12 weeks). A 20 day job would represent 140 hours (20x7), or 33.3 percent of a FTE job.

## Municipal ARRA Funding in Rhode Island

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According to the Office of Economic Recovery and Reinvestment (OERR), Rhode Island communities received \$217.9 million in ARRA funds through December 31, 2010. These funds include grants made to the State, which were then distributed to the communities, but do not include grants made to the communities from federal agencies or through private institutions.

Rhode Island communities received \$99.0 million in Stabilization Funds for education; \$67.3 million for special education; \$25.5 million in Clean Water and Drinking Water Revolving Funds; \$8.6 million in Energy Efficiency and Conservation Block Grants; \$5.4 million for worker training; \$4.0 million for highways; \$3.9 million for Community Development Block Grants (CDBG); \$1.8 million in criminal justice grants; and \$2.4 million for all other state programs. The table on the following page shows the totals, by community, as of December 31, 2010.

It is important to note that these figures do not include any grants made to municipalities directly through the federal government: the figures reported by OERR only count grants made through state agencies and their subcontractors (such as Community Action Program (CAP) agencies) to the communities. For example, the Town of Jamestown received a \$750,000 grant through the federal Economic Development Administration, to install a wind turbine. Although OERR has some information regarding grants awarded to municipalities directly through the federal government, the cities and towns are not required to report the data for many of the awards to the State. The Jamestown wind turbine grant is among those grants that have not been reported. The lack of data makes a comparison of direct federal awards impossible at this time.

City/Town	Stabilization Funds -										Total
	Education	Special Education	Clean & Drinking Water	Energy Efficiency Block Grants	Byrne (Criminal Justice) Grants	Comm. Dev. Block Grants	Highways	Job Training	All Other	Total	
Barrington	\$484,850	\$395,900	\$0	\$239,490	\$0	\$0	\$0	\$0	\$45,180	\$1,165,420	
Bristol	-	-	2,600,000	219,747	36,242	100,000	-	-	-	2,955,989	
Burrillville	2,005,709	837,499	179,000	154,485	-	-	-	-	76,200	3,252,893	
Central Falls	6,038,940	2,257,195	-	185,116	62,887	-	-	-	136,029	8,680,167	
Charlestown	-	-	-	76,861	-	-	-	-	-	76,861	
Coventry	2,567,378	1,567,825	331,481	195,273	44,245	-	-	-	50,000	4,756,202	
Cranston	5,299,825	3,655,042	-	375,357	121,452	-	-	150,000	461,218	10,062,894	
Cumberland	2,022,541	1,082,455	3,154,011	173,295	44,245	58,450	-	-	76,093	6,611,090	
East Greenwich	356,709	448,626	437,749	126,631	-	-	-	-	49,335	1,419,050	
East Providence	3,931,367	2,699,705	3,462,412	904,902	56,248	105,309	-	-	-	11,159,943	
Exeter	-	-	-	-	-	-	-	-	-	-	
Foster	150,325	25,270	-	41,800	-	-	-	-	59,885	277,280	
Glocester	459,092	36,648	-	297,921	-	-	-	-	-	793,661	
Hopkinton	-	-	-	76,636	-	-	-	-	-	76,636	
Jamestown	94,616	193,756	-	54,983	-	140,750	-	-	-	484,105	
Johnston	1,604,852	1,355,958	377,369	275,747	56,248	-	-	-	39,482	3,709,656	
Lincoln	982,761	1,077,603	710,500	204,382	36,242	105,955	-	-	39,000	3,156,443	
Little Compton	67,622	144,978	-	35,140	-	-	-	-	-	247,740	
Middletown	1,483,384	754,666	-	169,527	36,242	66,000	-	-	37,004	2,546,823	
Narragansett	281,869	560,271	-	160,011	44,245	-	-	-	-	1,046,396	
Newport	1,027,161	779,493	1,761,031	725,676	79,165	217,000	-	200,000	68,852	4,858,378	
New Shoreham	-	25,774	-	-	-	-	-	-	-	25,774	
North Kingstown	1,817,826	1,345,392	3,776,226	257,468	44,245	-	-	-	-	7,241,157	
North Providence	1,972,497	1,277,005	-	385,080	44,245	-	-	-	-	3,678,827	
North Smithfield	738,364	471,771	306,423	525,289	-	-	-	-	-	2,041,847	
Pawtucket	9,603,164	4,772,711	1,376,653	132,508	167,108	-	-	-	78,886	16,131,030	
Portsmouth	780,061	310,317	192,782	167,717	-	-	-	-	-	1,450,877	
Providence	27,973,565	26,548,742	6,091,821	591,809	513,487	2,568,055	3,975,548	4,691,196	174,744	73,128,967	
Richmond	-	-	-	70,631	-	-	-	-	-	70,631	
Scituate	536,081	1,204,492	-	100,969	-	-	-	-	-	1,841,542	
Smithfield	892,599	461,645	424,151	201,595	36,242	-	-	-	-	2,016,232	
South Kingstown	1,610,323	900,980	120,616	273,067	44,245	-	-	-	-	2,949,231	
Tiverton	899,821	509,624	-	149,243	-	290,000	-	-	-	1,848,688	
Warren	-	-	-	261,100	12,410	-	-	-	-	273,510	
Warwick	5,628,106	3,743,346	178,601	47,904	138,962	-	-	200,000	238,381	10,175,300	
West Greenwich	-	-	-	49,731	-	281,000	-	-	-	330,731	
Westerly	933,243	817,011	-	224,607	44,245	-	-	-	-	2,019,106	
West Warwick	2,959,847	1,431,300	-	170,902	44,245	-	-	-	568,440	5,174,734	
Woonsocket	6,785,292	3,078,958	-	267,943	81,729	-	-	199,567	191,990	10,605,479	
Bristol-Warren	2,857,911	1,147,445	-	-	-	-	-	-	-	4,005,356	
Charlho	2,184,600	792,534	-	-	-	-	-	-	39,541	3,016,675	
Exeter-W. Greenwich	1,125,275	465,495	-	-	-	-	-	-	-	1,590,770	
Foster-Glocester	854,008	75,018	-	-	-	-	-	-	-	929,026	
<b>Total</b>	<b>\$99,011,584</b>	<b>\$67,252,450</b>	<b>\$25,480,826</b>	<b>\$8,570,543</b>	<b>\$1,788,624</b>	<b>\$3,932,519</b>	<b>\$3,975,548</b>	<b>\$5,440,763</b>	<b>\$2,430,260</b>	<b>\$217,883,117</b>	

## Oversight and Reporting Provisions

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### STATE OVERSIGHT AND REPORTING PROVISIONS

At the state level, Rhode Island's Office of Economic Recovery and Reinvestment (OERR) was created by Executive Order on February 10, 2009, in anticipation of the passage of a stimulus package. The OERR was established within the Governor's Office and was intended to administer ARRA and other state and federal economic stimulus legislation.

All state agencies and subgrantees or subcontractors that receive awards through State agencies are required to report to the OERR. These recipients are also required to report directly to the federal government. In order to streamline an already cumbersome reporting process, OERR has adopted the federal data format for reporting and requires reports only from those who would be expected to submit Section 1512 reports to the federal government.

Awards to private companies or institutions, awards through federal agencies directly to municipalities, and awards made from a sub-grantee to specific recipients (such as Community Action Programs) are not subject to state reporting requirements, although the recipients are still required to submit or verify information to be included in Section 1512 reports through [FederalReporting.gov](http://FederalReporting.gov).

When the Office was first established, OERR had as many as 6 full-time employees and several interns, but staff dedicated to managing ARRA oversight has been reduced to 3.0 FTE positions, managed by one of the Governor's Deputy Chiefs of Staff. The OERR, in conjunction with staff in the Department of Administration Office of Accounts and Controls, receives half of one percent of ARRA funds for administrative costs.

*Analyst's Note: The administrative assessment of half a percent on ARRA funds is contested by quasi-public agencies, such as RIPTA and the Clean Water Finance Agency, which receive ARRA funding directly from federal agencies. Some quasi-public agencies have received guidance from the federal level in the form of program-specific regulations that disallow administrative expenditures not directly related to project costs.*

The OERR website may be accessed at [Recovery.RI.Gov](http://Recovery.RI.Gov) and is intended to provide up-to-date information on programs, financial data, reporting requirements, and funding opportunities. Some sections of the website are updated on a weekly basis, while other sections have not been updated since February and March of 2010.

At the beginning of FY2010, OERR staff began meeting, on a monthly basis, with all departments and agencies to review the status of ARRA awards and ensure that all requirements were being met in order to receive both formula and competitive grant funds. This practice has been continued and provides the State with an opportunity to address deficiencies that might result in loss of funding through non-compliance, inaction, or ineligible use.

Reporting requirements were met for the September 2009 and December 2009 quarterly reports, but Rhode Island was exempted from the March 2010 reporting requirement due to the flooding that swept the state. Submission of both the March 2010 data and the June 2010 data was required for the June 2010 reporting deadline (July 14, 2010). Although some data for both the first and second quarter of 2010 for Rhode Island was made available in mid-September 2010, final data through June 30, 2010 was not available until October 2010. Complete fourth quarter data for 2010 and first quarter data for 2011 both were made available within 45 days of the close of the quarter.

## FEDERAL OVERSIGHT AND REPORTING PROVISIONS

ARRA established a Recovery Accountability and Transparency Board, which was charged with creating and maintaining, within 30 days of enactment, a user-friendly website to provide information about grants, projects and processes. The requisite website was established at [Recovery.gov](http://Recovery.gov), and has been continuously updated, based on reports from federal agencies, state coordinating and oversight offices, and ARRA fund recipients. Another website, [FederalReporting.gov](http://FederalReporting.gov), was created for the purpose of distributing report requirements and quality assurance instructions.

All agencies, communities, and companies that receive funds from the Contracts, Grants, and Loans (CGLs) category of ARRA, directly from the federal government, must submit reports to the federal government on a quarterly basis. These reports are also known as Section 1512 reports, named after the title and section of the legislation that specifies the information to be reported.

These reports are not required for recipients of Entitlement funds or Tax Benefits, although CGLs only account for 34.9 percent of original ARRA appropriations.

There have been seven reporting quarters since the guidelines and requirements for Section 1512 reports were established: September 2009; December 2009; March 2010; June 2010; September 2010; December 2010; and March 2011. Reports are due one to two weeks after the end of the quarter. Those submitting reports are then allowed 15 days to review data to ensure that it is complete and accurate. The data is then reviewed by federal staff, who may request corrections, over the course of 7 days. Finally, the data is locked for 3 days while reports based on all the data are compiled: thereafter, grantees may again make necessary alterations or corrections to their submitted reports.

In addition to the reports compiled through the [Recovery.gov](http://Recovery.gov) and [federalreporting.gov](http://federalreporting.gov) websites, the Council of Economic Advisors (CEA) has been charged with providing quarterly reports on the effects of ARRA to Congress. CEA reports are known as Section 1513 reports. The CEA is also required to include job creation and retention figures in their report.

**Tax Benefits** include credits, such as “Making Work Pay”, the first-time homebuyer credit, and the increased Earned Income Tax Credit (EITC); incentives for businesses, such as extension of the bonus depreciation provisions, incentives for hiring, and enhanced small business expensing extension; and other tax changes including suspension of taxation for Unemployment Insurance benefits, sales tax deduction for vehicle purchases, and an economic recovery payment to certain SSI, Social Security, and Veterans’ Disability recipients. Most of these benefits could be applied as soon as tax year 2009, and in some cases the tax credits were retroactive to business practices and purchases in 2008.

**Contracts, Grants, and Loans (CGLs)** include the most familiar programs associated with ARRA, such as the Highway Infrastructure Improvement (HII) funds, Race to the Top, Stabilization funds for state and local governments, Unemployment Insurance extensions, and weatherization and affordable housing funds. This category is the focal point for job creation, energy efficiency programs, and infrastructure improvement, as well as research, development, and higher education.

**Entitlements** include programs such as the enhanced matching rate for Medicaid, the Temporary Assistance to Needy Families (TANF) emergency funds, and IDEA and special needs education funding.

## REPORTING PROCESS AND DATA COMPARISON CONCERNS

It should be noted that federal reporting provisions are specifically detailed in Sections 1512 and 1513 of ARRA. However, individual states establish different levels of detail and formats for state or county level reports, making it difficult to compare federal and state data, or even data between states.

There are also several gaps in the data which cannot be resolved without a better system of reporting at both state and federal levels. Data regarding funds that were not awarded directly through state agencies is difficult to obtain, while data reported to meet federal requirements does not include all ARRA funding, even at the state level.

Although Build America Bonds (BABs) and Recovery Zone Bonds (RZBs) are economic development tools and are allocated to each state, their impact will be seen in long-term financing and capital budgets, not in the operating budgets of state and local government, so they are excluded from the discussion.

It is important to note, as well, that data comes from several different sources: program data will match the data provided by OERR, using department and line item in reports from RI-FANS, the State accounting system.

# Senate Fiscal Office

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**Peter M. Marino**

*Senate Fiscal Advisor*

Legislature

**Claire Birkmaier**

*Office Manager*

**Meredith E. Brady**

*Legislative Fiscal Analyst II*

Behavioral Health, Developmental Disabilities,  
and Hospitals

Child Advocate

Commission on Deaf and Hard of Hearing

Commission on Disabilities

Higher Education

Higher Education Assistance Authority

Mental Health Advocate

Public Transit Authority

Transportation

**Laurie J. Brayton**

*Legislative Fiscal Analyst II*

Atomic Energy Commission

Clean Water Finance

Coastal Resources Management Council

Elementary and Secondary Education

Environmental Management

Water Resources Board

**Robert C. Bromley**

*Senior Legislative Fiscal Analyst*

Administration

Board of Elections

Commission on Women

Economic Development Corporation

Ethics Commission

General Treasurer

Human Rights Commission

Labor and Training

**Kelly M. Carpenter**

*Legislative Fiscal Analyst II*

Arts Council

Business Regulation

Historic Preservation and Heritage Commission

Narragansett Bay Commission

Public Utilities Commission

Public Telecommunications

Resource Recovery Corporation

**Matthew R. Harvey**

*Legislative Fiscal Analyst II*

Children, Youth, and Families

Elderly Affairs

Health

Human Services

Office of Health and Human Services

Veterans Affairs

**Stephen H. Whitney**

*Deputy Senate Fiscal Advisor*

Attorney General

Corrections

Governor

Judiciary

Lieutenant Governor

Military Staff

Public Defender

Public Safety

Revenue

Secretary of State