

High-Road ARRA Implementation Conference (March 9 -10, 2009)

State Concerns and Next Steps

This memo identifies topics for further discussion arising from CSIs ARRA implementation conference on March 9th and 10th and also identifies a number of potential ways that CSI could be of assistance as states move forward in the implementation process.

Emerging Themes:

Some threads of inquiry ran throughout the conference. CSI would be happy to follow up or facilitate discussions on each of these issues.

- 1. Data and Reporting Requirements:** States requested guidance on reporting requirements for prime and first-sub recipients of ARRA funds and appropriate data systems to meet these requirements. Specific questions regarding data and reporting included:
 - a. What is the state's responsibility in developing a reporting architecture?
 - b. Should each state build its own system for reporting or will the federal government develop a system to collect this data?
 - c. In addition to reporting in a manner that is legal and ethical, what other major goals should states try to achieve and measure?

- 2. Application processes/Timelines/Regulations/Flexibility:** The size of the American Recovery and Reinvestment Act and the understandable speed with which the Federal Government wishes to distribute these funds, has led to an accelerated regulations process that is both confusing and difficult to track. States were highly interested in the schedule for regulation roll out, the content of new regulations and the application criteria across a wide range of policy areas. Some specific questions were:
 - a. What flexibility is built into ARRA timelines?
 - b. What will grant processes look like?
 - c. If a project could qualify for funding from multiple agencies, to which agency should the state submit its application?

- 3. Interjurisdictional and Cross-Agency Collaboration:** There is an opportunity for interjurisdictional and cross-agency collaboration to maximize the impact of ARRA funding.
 - a. What opportunities are available to coordinate spending between different sectors?
 - b. For projects that reach across agencies and funding streams, how should states apply for funding?
 - c. For projects that are state and local partnerships, which entity should apply for funding?

Session Specific Questions

- 1. ARRA Overview, General Requirements, Possibilities:**
 - a. How can the stimulus money best contribute to long-term economic growth?
 - b. What metrics should states use to measure outcomes from ARRA spending?
 - i. Schools: number of schools repaired, number of new schools built, locations, etc
 - ii. Transportation: miles repaired, new lane miles, locations
 - iii. Broadband: number of new broadband users, miles of fiber optics, locations

2. Transportation:

- a. Where would transportation spending be most effective (i.e. spending in rural communities, highway expansion, modal interconnection, or whatever project produces the most jobs)?
- a. How much flexibility is built into the due dates for spending transportation dollars?
- b. Because of the timelines, states are under pressure to select “shovel ready” projects. How can states select a balanced mix of projects given these parameters?
- c. What kind of strategies should states use to get public support for projects that are not already on the approved list?

3. Energy:

- a. The lack of information about grant processes has impeded state and local planning. State energy agencies are generally unprepared to deal with the scale of funding and reporting requirements emerging from ARRA and the lack of federal guidance is making this preparation more difficult. When will states begin to see information regarding these grants?
- b. How flexible will energy funds be once states receive them?
- c. Will states be able to shift money from state energy programs to apply to a local weatherization project?
- d. How do states deliver the workforce necessary for weatherization programs?
- e. How are other states getting their energy offices prepared to deal with the green jobs program?

4. Housing:

- a. When and how will states begin receiving timelines and regulatory guidance on HUD grants?
- b. How should states access and combine funding from different grants and different agencies?
- c. Which agency should states apply to if they have projects that could qualify for funding from multiple agencies?
- d. How should states without large urban areas compete for grants?
- e. What do states need to do to comply with the Low-Income Housing Tax credit?
- f. Who is responsible for spending the money legally and appropriately - states or contractors?

5. Measuring Job Impact:

- a. How should states define job impact?
- b. Where can states find best practices for developing data systems to track new jobs?
- c. What other metrics should states consider in measuring job impact - health benefits, quality of jobs, demographics?
- d. What are the regulatory restrictions for states seeking to collaborate on data collection and goal setting?
 - i. States expressed interested in sharing vendor contract language and frameworks for dealing with contracts.

6. Health:

- a. How can states use increased FMAP dollars to jump-start a higher quality, lower cost health care system?
- b. What kind of reforms will states have to make to ensure their residents receive their full share of COBRA premium assistance dollars from the Federal Government?
- c. When will regulations regarding Health Information Technology grants be published, and what will be the allowable uses of these funds?

7. Water:

- a. What projects are eligible for State Revolving Funds? Will septic projects be included in the list of allowable purposes?
- b. In general, states sought guidance on “grey and green” infrastructure projects. How can states achieve multiple benefits from existing infrastructure projects such as (improved energy efficiency, job creation, community and economic benefits?)

8. Education and Work Supports:

- a. Title I local educational allocations (LEAs), which supplement state and local funding for low-achieving children in high-poverty schools, will expire in two years. How should states access and use these funds, given the quick expiration date?
- b. How can states access ARRA funding to develop or improve longitudinal data system? What best practices should states emulate in developing these systems?
- c. How should states address data architecture issues (and work to develop common data models) to promote interoperability of data systems?
- d. There is an opportunity to change the culture of data use from using data for compliance purposes to using it to improve education system performance and student achievement. How should states make this transition?
- e. How can states ensure that educators know how to access, analyze, and use data appropriately? (i.e. professional development and credentialing)
- f. How long will the federal UI funding last?
- g. After federal funding runs out how much will the UI tax on employers increase?
- h. What will the reporting requirements for UI spending be and when will these requirements be published?

Next Steps:

Since the ARRA implementation conference, there has been a meeting of “stimulus czars” at the White House, additional clarification from some of the agencies, and a number of webinars or conference calls from national policy groups. The questions and concerns that you had may have changed, and we’d like hear from you on what topics you’re most interested in for further follow-up. Also, CSI can provide assistance to High Road ARRA implementation through any number modes, such as:

1. Organizing an ARRA web page that includes:
 - a. Periodically updated list of agency contacts for follow-up questions on ARRA implementation.
 - b. Information from various federal agencies on regulations, guidelines, and outreach
 - i. OMB Guidance on calculating “Jobs Created and Jobs Saved.”
2. Facilitating a series of “ARRA Discussion Forums” which would allow state policy staff and stimulus czars to discuss problems, ask questions and share best practices on ARRA implementation (this could be a series of conference calls or an online discussion board).
3. Initiating a “High Road ARRA Implementation Webinar Series” to provide additional time and deeper insight on policy topics covered at the conference such as:
 - o ARRA spending regulations and reporting requirements
 - o Reporting architecture and data collection
 - o Effective use of transportation dollars
 - o Public support/messaging for ARRA projects

- Project selection within ARRA parameters
- Coordinated spending
- Opportunities for interjurisdictional and cross-agency collaboration
- Green Job Corps
- Green Reserve Funding
- Energy Conservation Bonds
- Green Infrastructure
- Weatherization (including labor standards, training and oversight)
- Housing (including tax credits and neighborhood stabilization program)
- Build America Bonding
- Integrated Decision-Making and Metrics (i.e. what would it look like to actually look at the housing impact of transportation policy)
- State and Municipal Coordination and other Models of Integration

CSI appreciates your participation in the conference and your interest in these follow-up events. Please feel free to contact Sam Munger at smunger@stateinnovation.org or (608) 262-9588 if you have any questions or comments.