



## Remaining Recovery Act Funds

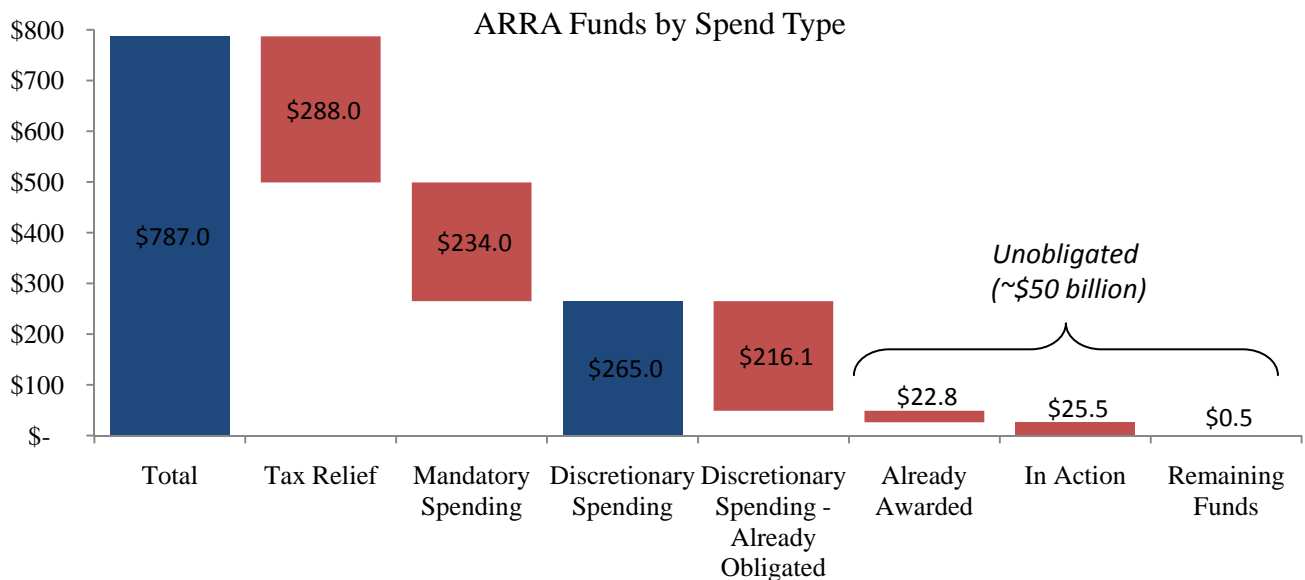
The American Recovery and Reinvestment Act (ARRA) was an unprecedented effort at stabilizing a faltering economy. While certain dollars remain to be obligated in a variety of programs, most of these dollars have already been awarded or are in process of awarding – in fact, only \$500 million in discretionary spending remains after accounting for those funds that have been obligated, awarded, or are in the process of being awarded.

### Breakdown of Recovery Act Funds

As enacted, ARRA was estimated to cost \$787 billion, split between tax relief and direct spending. The act provided for \$288 billion in tax relief and \$499 billion in spending on projects and payments.

Of this \$499 billion in spending, approximately \$234 billion is allocated to mandatory programs, with funding determined by legally required payments formulas. Examples of such programs include Unemployment Insurance, FMAP, Social Security and Veterans Payments, Student Financial Assistance, SNAP, and Temporary Assistance for Needy Families.

This leaves approximately \$265 billion in discretionary spending programs. The vast majority of these funds have been committed. Approximately \$216 billion<sup>1</sup> are already obligated in programs that span ARRA, from State Fiscal Stabilization funds at the Department of Education to the entire \$27 billion highway program at the Department of Transportation.



Of the approximately \$49 billion which remains, the vast majority—or approximately \$47 billion—has already been awarded or is in the process of being awarded but has not been obligated yet. Examples include programs like DOT’s high speed rail program, which is 100% awarded but yet to be obligated, and DOE’s smart grid program which is 100% awarded but has less than \$250 million left to obligate. Disrupting such funds would have serious consequences on

<sup>1</sup> Obligation dollar amounts are from the June 25, 2010 Financial Activity Report (FAR), unless otherwise specified by agencies.



already notified recipients. Another \$1.5 billion represents transfers or administrative funds, which are spent on agency inspectors to monitor fraud, waste, and abuse as well as provide additional administrative support. Thus, \$500 million in discretionary spending remains after accounting for those funds which have been obligated, awarded, or are in the process of being awarded.

Very few unobligated ARRA dollars can be disrupted without consequences to recipients who have already been notified and/or are expecting funds. The following table disaggregates the unobligated funds to further clarify this point:

Breakdown of \$49 Billion Unobligated Funds		
CATEGORY OF UNOBLIGATED FUNDS	EXPLANATION	ESTIMATED DOLLARS
<b>Discretionary Funds: Awarded but not yet obligated</b>	<p><i>For these funds, recipients have been notified that they are receiving awards, and obligations are in process. Stopping these funds would involve retracting already awarded commitments, or stopping funding mid-stream.</i></p> <p><b>EXAMPLES:</b> State Fiscal Stabilization, High Speed Rail, Smart Grid, Surface Transportation System, Neighborhood Stabilization Funds</p>	\$22.8 billion
<b>In process of awarding</b>	<p><i>These are mostly grant competitions and programs currently in progress. Any reduction in these programs will mean that applicants for funds may not receive awards, or that funding will need to be stopped mid-stream.</i></p> <p><b>EXAMPLES:</b> Broadband, Health IT Office of the National Coordinator funds, the Prevention and Wellness program, NIH grants</p>	\$24.0 billion
<b>Administrative and Inspector General Funds</b>	<p><i>Funds in this category represent additional support for agency inspectors general to monitor fraud, waste and abuse, and provide additional support for program managers for prudent management of ARRA funds.</i></p>	\$1.5 billion
<b>Remaining Funds</b>	<b><i>These are funds that are yet to be awarded.</i></b>	<b>\$500 million</b>

### List and Status of Discretionary Programs with the Most Unobligated Funds

This section lists every program that still has over \$500 million in unobligated funds, describes the status of these programs, as well as the consequences of pulling away funds. As stated in the descriptions below, each of these programs is fully awarded but not yet obligated, or is in the process of being awarded – the two largest categories from the table above. Thus, rescinding funds would cause disruption that would directly affect recipients of, awardees of, or applicants for funds. The fifteen programs below make up 80% of the unobligated discretionary funds.

#### **Education - Aid for Teachers and Education Reform**

Appropriated: \$53,600,000,000

Obligated: \$44,646,510,600

Unobligated: \$8,953,489,400



Status: Awarded

Explanation: Over \$4 billion of the unobligated funds in this program are Phase II awards of the Education State Grants Program, and represent dollars around which states have been planning budgets from the time of enactment. From the time of enactment, every state knew the funding they would receive, and have planned accordingly – budgets have been developed that rely on these funds. Tens of thousands of jobs in local education agencies likely depend on these funds. The remaining \$4.9 billion in unobligated funds are in Race to the Top (RTT) and the Investing in Innovation Fund, which are still in the process of being awarded and will be done so within the next 60 days with from applications that have already been submitted. However, before they had awarded a single dollar, the RTT competition encouraged 32 states to improve education laws. The Department of Education's ability to reform education through these incentives depend on this funding.

### **High Speed Rail and Intercity Passenger Rail Service**

Appropriated: \$8,000,000,000

Obligated: \$116,342,437

Unobligated: \$7,883,657,563

Status: Awarded

Explanation: In January 2010, DOT announced \$8 billion in ARRA grant awards to begin the development of High Speed Rail (HSR) corridors in California, Florida, and states in the Midwest and Northeast, plus a number of incremental improvements to existing intercity passenger rail lines. Thus, all awardees have been notified of their awards, are signing contracts, and are beginning work; budgets and plans are being created around the award amounts. ARRA anticipated HSR grants would obligate slower than other provisions, as funds are available for obligation through FY12.

### **Innovative Technology Loan Guarantee Program**

Appropriated: \$3,960,000,000

Obligated: \$50,641,219

Unobligated: \$3,909,358,781

Status: In Process

Explanation: This program is a key element of the Administration's effort to transform the energy economy to clean energy sources and achieve the Administration's goal to double non-hydroelectric renewable generating capacity by the end of 2012. The loan guarantee program has offered conditional commitments for nearly \$2.3 billion in loans for renewable energy and transmission modernization projects. The sponsors of these projects estimate that these conditional commitments will support more than 4,500 construction jobs and 1,200 permanent jobs, and will avoid over 2 million tons of carbon dioxide per year. The program is reviewing dozens of additional projects, has multiple solicitations in the market, and has received hundreds of applications from every corner of the country. Credit to applicants who have spent significant time and money submitting applications and as well as existing commitments *already made* by DOE depend on these funds. DOE expects to fully commit the entire \$4 billion in appropriated credit subsidy by end of FY 2011, supporting \$32 to \$35 billion in loans for clean energy projects.

### **Broadband Technology Opportunities Program**

Appropriated: \$4,690,000,000

Obligated: \$1,333,256,962

Unobligated: \$3,356,743,038

Status: In Process

Explanation: Commerce has awarded over \$1.6 billion in funds in Round 1 and has received over \$11 billion in applications for Round 2 funding so far. It is actively reviewing these, with awards starting to be made on a rolling basis in August and September. Several of these applications are from state and local law enforcement and other entities for funding to begin building a public safety broadband network. All remaining awards and all obligations will be made by



the end of September, from existing applications. Applicants who have spent time and money applying for funds rely on this funding as does the administrator's ability to properly oversee awards that have already been made.

### **National Institutes of Health (NIH)**

Appropriated: \$9,900,000,000

Obligated: \$7,008,404,905

Unobligated: \$2,891,595,095

Status: In Process

Explanation: Most of the funds already obligated were awarded to research grants (over 15,000 at this time in every State). Of the unobligated funds, over \$2.2 billion will provide the second year of funding for two-year awards made in FY 2009. Thus, research projects midway through their research depend on these funds in order to make sure the research conducted to-date is usable and in order to make sure that funds already committed aren't wasted. For example, many of the ARRA projects that have been highlighted such as the Cancer Genome Atlas, autism, and HIV were issued as two-year awards and are dependent on receipt of the second year of funding. The integrity and potential of these projects to address serious public health issues would be jeopardized without a second year of funding. The remaining funds will be used for meritorious applications that have already been received and are currently undergoing peer review in response to publicly announced Funding Opportunities, i.e., NIH has made a public commitment to make awards based upon these applications prior to September 30th.

### **Agriculture - Distance Learning, Telemedicine, and Broadband Program**

Appropriated: \$2,500,000,000

Obligated: \$481,325,041

Unobligated: \$2,018,674,959

Status: In Process

Explanation: USDA has already awarded over \$700 million in funds in Round 1, and is nearing awarding \$1.7 billion total. USDA has received over \$11 billion in applications for Round 2 funding – awards have started, and they will be completed by September. Applicants who have already applied for funds and meet all the qualifications depend on these funds. Equally pressingly, applicants who have been awarded funds but have yet to receive them also rely on the remaining USDA funds.

### **Fossil Energy Research and Development**

Appropriated: \$3,396,445,166

Obligated: \$1,541,840,486

Unobligated: \$1,854,604,680

Status: In Process

Explanation: The majority of ARRA funding in this account was appropriated for large-scale carbon capture and storage demonstration projects. The Industrial Carbon Capture and Storage program accounts for approximately \$800 million of the unobligated funds in this account. The remaining funds will be used for applications currently being reviewed, and research and development in coal-based technologies. The remaining \$1 billion of unobligated funds are in the Carbon Capture and Storage program, which is targeted to fund the integrated FutureGen demonstration project ; a final decision regarding these funds is pending progress from the alliance.

### **"TIGER" Transportation Grants**

Appropriated: \$1,500,000,000

Obligated: \$94,640,000

Unobligated: \$1,405,360,000

Status: Awarded



Explanation: The Transportation Investments Generating Economic Recovery (TIGER) program provided competitive grants to major transportation projects of National and regional significance that are difficult to fund under traditional formula grant programs. Grant selections were already made and announced on February 2, 2010, and all awardees have been notified of their awards. These awardees have already started planning and started work, and rely on these funds. Furthermore, many of these projects have substantial state, local and private co-investments (in some cases upward of 50 percent of project costs), and these commitments also rely on these federal funds.

#### **DOD Construction**

Appropriated: \$1,450,000,000

Obligated: \$121,900,112

Unobligated: \$1,328,099,888

Status: In Process

Explanation: The remaining military construction funds are due largely to two hospitals, valued at approximately \$1.2 billion. Both projects are expected to be awarded in calendar year 2010. These projects are expected to impact over 220,000 beneficiaries in Fort Hood, Texas and Camp Pendleton, California. The appropriation is effective through the end of FY 2013; although they expect to award all funds by the end of calendar year 2010. Over \$10 million in pre-construction activity has begun on the sites in preparation for the major construction to include site clearing, utility relocation, and demolition. These remaining funds are critical to create facilities that will deliver quality health care to military members and their families at two installations facing substantial population growth, and will ensure DOD can move forward with projects already underway.

#### **Education for the Disadvantaged**

Appropriated: \$13,000,000,000

Obligated: \$11,736,344,151

Unobligated: \$1,263,655,850

Status: In Process

Explanation: The Department of Education has been very successful in obligating the vast majority of its funds in this account. The remaining funds are allocated to the School Improvement Grants program, which provides funding to states to turn around their persistently lowest-achieving schools. Funding for this program requires state application and approval, with particular attention to the state's definition of "persistently low-achieving" schools. Applications were accepted beginning February 22, 2010, with awards being made on a rolling basis upon approval. 53 state/territory applications have been received. 34 state applications have been approved to date and significant progress is being made in approving the remaining applications. The remaining funds will support awards for the 19 states and territories with applications that are still being reviewed.

#### **Federal Buildings / Homeland Security**

Appropriated: \$5,545,000,000

Obligated: \$4,286,320,084

Unobligated: \$1,258,679,916

Status: Awarded

Explanation: All unobligated funds are already allocated to specific projects identified in the GSA spend plan submitted to Congress. As such, these funds will allow the completion of building projects and ensure that workers at more than 260 projects remain on the job. Approximately \$450 million is allocated for new construction and site acquisition for the consolidation of DHS on the St. Elizabeth campus, contracts for which are either in process with imminent awards or awarded. GSA funds requested in the President's FY 2011 budget for the next phase of St Elizabeth construction depend on the previous phases funded through ARRA. The unobligated balances are allocated to projects that have already received ARRA-funded design and, in some instances, other preliminary work. The balances will fund construction and other support contracts that are currently under solicitation and awards are imminent.



### **Children and Families Services Programs**

Appropriated: \$3,150,000,000

Obligated: \$2,293,948,444

Unobligated: \$856,051,556

Status: Awarded

Explanation: These funds will allow HHS to reach its goal of providing comprehensive health, educational, nutritional, and social services to approximately 61,000 children. Of the unobligated balances, \$740 million are the FY 2010 second-year continuation grants for Head Start and Early Head Start. An additional \$90 million for Head Start State Advisory Councils is expected to be fully obligated by the August 1, 2010 deadline. The remaining funds support training and technical assistance for these grantees.

### **Medical Comparative Effectiveness Research**

Appropriated: \$1,100,000,000

Obligated: \$302,449,667

Unobligated: \$797,550,333

Status: In Process

Explanation: Research generally outlays at a slower rate than other types of activities, due to the time required to conduct the peer review process for grant applications. In addition, the pace of outlays for these funds was impacted by the Recovery Act's statutory requirement that HHS review input from reports commissioned in the Act by the Institute of Medicine and a newly-formed Federal Coordinating Council for Comparative Effectiveness Research before allocating \$400 million of the \$1.1 billion appropriated for this research. Of the \$1.1 billion for AHRQ, NIH and the Office of the Secretary's Comparative Effectiveness Research activities, \$302 million has been obligated. Of the unobligated balances, \$149 million is for second year continuations of existing grants, \$531 million is for grant and contract competitions that have already closed with the applications currently in the peer review and negotiation stages, and \$106 million is for funding opportunities that have been announced and are currently open. In other words, remaining funding is required to complete projects already begun—without it, research conducted to-date could be rendered unusable in some cases and lead to a waste of the funds already committed. In addition, these remaining funds will allow HHS to maintain programs for which applicants have already applied. Finally, remaining funds will support technical assistance and evaluation, to ensure we learn as much as possible from these investments. All funds will be awarded by September 30, 2010, with approximately \$270 million in July, \$210 million in August, and \$320 million in September.

### **Social Security Administration**

Appropriated: \$1,090,000,000

Obligated: \$409,289,751

Unobligated: \$680,710,249

Status: Administrative

Explanation: The majority of these funds support two ongoing activities, construction of the new SSA data center and hiring and overtime of front line staff for workload processing. The funds are enabling planning and construction, bolstering the core systems that support benefits provided to over 57 million individuals. In addition, workload processing funds are allowing SSA to keep up with a significant amount of work by supporting overtime and allowing the agency to continue to hire. A reduction in total available staff capacity would force a significant cut in processing of core workloads.

### **Energy Efficiency and Renewable Energy**

Appropriated: \$16,763,906,593

Obligated: \$16,136,752,622

Unobligated: \$627,153,971



Status: In Process

Explanation: Nearly all of the major EERE programs are fully awarded, and most are fully obligated, including EERE's largest projects: Battery Manufacturing; Weatherization formula grants; State Energy Projects; and Energy Efficiency and Conservation Block Grants (EECBG) programs. Approximately 1/3 of the remaining unobligated dollars are awarded (announced) projects in biomass, vehicles, building efficiency and geothermal research. Approximately 2/3 of the unobligated funding are in programs where competitions have already been held, applications submitted, and awards are currently being made or will very shortly be made: Weatherization training and technical assistance; Weatherization sustainable consumer grants (EISA Sec. 411); and Competitive and Tribal EECBG.