

# American Recovery and Reinvestment Act

# Overview

- ◆ How We Got Here
- ◆ Basics of the American Recovery and Reinvestment Act (ARRA)
- ◆ NSF Implementation
- ◆ NSF OIG Implementation
- ◆ Impact of ARRA on Future Operations

# How We Got Here

# Economic Crisis

- ◆ Global Economic Challenges
- ◆ Slow US Economic Growth--Recession
- ◆ Financial Markets Turmoil
- ◆ Investment Scandals
- ◆ Shrinking Workforce & Layoffs
- ◆ Pensions at Risk
- ◆ Environmental Woes

# Addressing the Problem

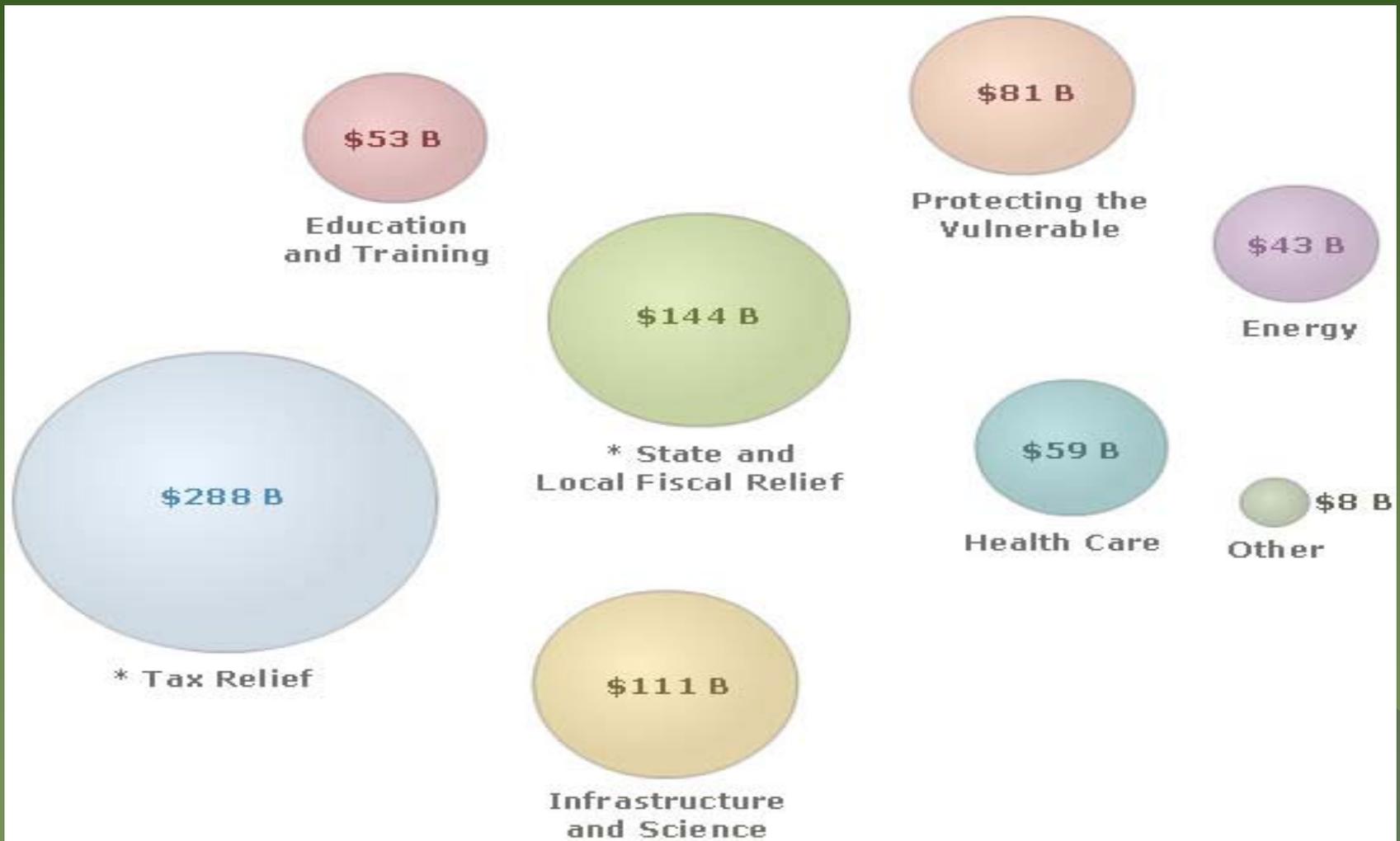
- ◆ Financial Stability Plans
  - The Troubled Asset Relief Plan
- ◆ Regulatory Restructuring
  - Systemic Risk Regulator
- ◆ American Recovery and Reinvestment Act
  - \$787 Billion

# Basics of the American Recovery and Reinvestment Act of 2009

# Goals of ARRA

- ◆ Preserve and create jobs; promote economic recovery
- ◆ Assist those most impacted by the recession
- ◆ Invest in research to spur technological advances in science and health
- ◆ Invest in transportation, environmental protection, and other infrastructure that provide long-term economic benefits
- ◆ Stabilize State and local government budgets

# Where is the Money Going?



# Top 10 Funded Agencies

1. Health and Human Services	\$167 B
2. Education	\$100 B
3. Transportation	\$48.1 B
4. Energy	\$38.7 B
5. Agriculture	\$18.2 B
6. Housing & Urban Development	\$13.6 B
7. Commerce	\$7.8 B
8. Defense	\$7.4 B
9. Environmental Protection Agency	\$7.2 B
10. General Services Admin	\$5.8 B
15. National Science Foundation	\$3 B
28. Smithsonian Institution	\$25 Million

# Unprecedented Accountability & Transparency

- ◆ Key Accountability Organizations
  - Inspectors General (\$252.75 Million)
  - Newly-Created Recovery Accountability and Transparency Board (\$84 Million)
  - Government Accountability Office (\$25 Million)
  - Office of Management and Budget

# Responsibilities - OIG

- ◆ Authority to audit, investigate, and inspect ARRA programs, contracts and expenditures
- ◆ Review concerns raised by the public on ARRA spending
- ◆ Address whistleblower complaints

# Responsibilities – Recovery Act Board

- ◆ Composed of Chair and 12 Inspectors General
- ◆ Establish and maintain website, Recovery.gov to provide transparency of ARRA funds
- ◆ Conduct oversight and report quarterly and annually on the use of Recovery Act funds and any oversight matters
- ◆ Make recommendations to agencies on measures to avoid problems and prevent fraud, waste and abuse
- ◆ Issue Flash reports to the President and Congress on potential management and funding problems that require immediate attention

# Responsibilities - GAO

- ◆ Conduct bimonthly reviews on how ARRA funds are used by selected state and local governments
- ◆ Review specific areas, such as trade, education, small business, and health care
- ◆ Comment on ARRA reports filed by state and local governments

# Responsibilities - OMB

- ◆ Develop implementing regulations
  - Reporting requirements
  - Jobs Creation/Retention definitions
- ◆ Review and approve Agency ARRA spending and management plans
- ◆ Coordinate Budget Execution

# Accountability Objectives of ARRA

- ◆ Funds are awarded and distributed in a prompt, fair, and reasonable manner
- ◆ Funds are used for authorized purposes and instances of fraud, waste, error, and abuse are mitigated
- ◆ Projects funded avoid unnecessary delays and cost overruns
- ◆ Program goals are achieved, including specific program outcomes and improved results on broader economic indicators
- ◆ The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner

# Transparency: Reporting Requirements

- ◆ Agency Reporting
  - Major Communications
  - Weekly Financial and Activity Reports
  - Monthly Award Level Transaction Data (USASpending.gov)
  - Agency-wide & Program-specific Plans
- ◆ Quarterly Recipient Reporting (beginning Oct. 10<sup>th</sup>)
  - Jobs Created and/or Retained
  - Financial Reporting

# NSF Implementation

# ARRA Funding at NSF

- ◆ \$3.02 Billion Total Funding
  - \$2.5 Billion – Research and Related Activities
  - \$400 Million – Major Research Equipment and Facilities Construction
  - \$100 Million – Education and Human Resources
  - \$2 Million – Office of Inspector General

# Total Current NSF Funding

(in Millions)

Appropriations Account	FY 2009 Appropriation	FY 2009 Recovery Act	Total FY 2009 Appropriations
Research and Related Activities	\$5,183	\$2,500	\$7,683
Education and Human Resources	\$845	\$100	\$945
Major Research Equipment & Facilities Construction	\$152	\$400	\$552
Agency Operations & Award Management	\$294	-	\$294
National Science Board	\$4	-	\$4
Inspector General	\$12	\$2	\$14
<b>TOTAL</b>	<b>\$6490</b>	<b>\$3,002</b>	<b>\$9,492</b>

# NSF Approach to ARRA Implementation

- ◆ Capitalize on Existing Processes
  - No additional funding for administrative functions
- ◆ Move Out Funding Quickly – plan to spend most funds by 9/30/09
- ◆ Continue to Fund Highly-Rated Proposals

# Recovery Act Proposal Eligibility

- ◆ Proposals that will be received, reviewed, and/or awarded prior to September 30, 2009
  - Proposals received under existing deadlines that can be reviewed in a timely manner
  - In-House proposals that have already been reviewed but not yet awarded
  - Proposals previously-declined but rated very good or above
- ◆ Exceptions from the September 30, 2009 deadline must be approved by the Director

# NSF ARRA Funding Priorities

- ◆ New Principal Investigators
- ◆ High-Risk/High-Return (Transformative) Research
- ◆ Bolstering Infrastructure
- ◆ Award Size and Duration
- ◆ RAPID/EAGER

# NSF Actions to Date

- ◆ Appointed Senior Accountability Official (Deputy Director, Dr. Cora Marrett)
- ◆ Established ARRA Steering Committee
- ◆ Established supporting Interdisciplinary Teams
- ◆ Created NSF Recovery Act Website
- ◆ Issued Implementing Policies and Procedures
- ◆ Issued New Award Terms & Conditions
- ◆ Developed Agency-Wide & Program-Specific Implementation Plans
- ◆ Began Making Initial Awards
  - Alaska Region Research Vessel
  - \$274 Million as of June 3rd

# NSF OIG Implementation

# OIG Response

- ◆ Key Concern – Timing
- ◆ “Real-Time” Reviews
- ◆ Non-Audit Activities
- ◆ Alert Memoranda
- ◆ Continuous Interactions and Communications with NSF

# OIG Actions to Date

- ◆ Established OIG ARRA Task Group
- ◆ Participant on:
  - NSF Steering Committee
  - TIGER Teams
- ◆ Monthly Reporting to Recovery Board
- ◆ IG Community Activities

# OIG Actions (continued)

- ◆ Developed Proactive Plan of Reviews
  - Provided Comments on NSF Draft Documents
    - ◆ ARRA Implementation Plans
    - ◆ Award Terms and Conditions
    - ◆ Policies and Procedures
  - Developed Paper On Risky NSF Programs and Institutions
  - Assessed NSF Stakeholder Expectations for ARRA
  - Plan to Review NSF Pre-Award Processes and Controls

# Impact of ARRA on Future Operations

# What's Next?

- ◆ Accountability Requirements become Permanent?
  - Agency Reporting
  - Awardee Reporting
- ◆ OIG Real Time Response becomes Standard Practice
  - Quick Response
  - Cooperative Relationship

# Questions?

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