

Testimony of Michelle Light
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Before the Economic Development Committee,
Community Development Committee, and General Welfare Committee
of the Council of the City of New York
concerning the impact of the American Recovery and Reinvestment Act
on New York City

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Good morning. My name is Michelle Light and I am the Senior Policy Advisor at the Mayor's Office of Operations responsible for managing all Stimulus oversight for New York City. I'm grateful for the opportunity to speak to you today about the American Recovery and Reinvestment Act, otherwise known as ARRA or the federal economic stimulus package, and the impact that it continues to have on our City since the Act was passed just over one year ago.

When Jeff Kay, Director of the Mayor's Office of Operations, testified before the Council in March of 2009, ARRA was less than one month old, and we did not yet know how much funding New York City would be awarded or the extent of the impact it might have. Since that time, New York City has benefited from more than \$6 Billion in ARRA funding, the details of which I will provide today. These funds have created new jobs for unemployed New Yorkers, allowed many employed New Yorkers to keep their jobs, prevented cuts to key City services, and paved the way for innovative new technologies and critical infrastructure improvements.

ARRA funding reaches New York City through a variety of different mechanisms. The majority of ARRA funds are allocated through formula-based programs. The City has also applied for and received numerous competitive grants, from a transit security award to funding that supports Head Start. In some cases, funds flow from federal agencies directly to City agencies, referred to as "Prime" recipients. In other cases, funds pass through State agencies before they reach City agencies, referred to as "Subrecipients." Most funding will at some point be received by the City, but some comes in the form of expense relief.

No matter the funding mechanism, the receipt of ARRA funds brings with it a set of compliance and reporting obligations. Under Section 1512 (S. 1512) of the Act, jurisdictions receiving

ARRA funds are required to submit quarterly reports to the federal government. For subrecipients, these reports must pass through their oversight agencies at the state level. While certain awards are exempt from the provisions of S. 1512, agency staff administering those awards to which it does apply must gather data relating to jobs, expenditures, revenues, and general progress from any vendors, subrecipients, and other City agencies involved in carrying out the relevant projects and programs. Quarterly reports are due ten days after the close of each quarter, and the Mayor's Office of Operations, in conjunction with other City Hall staff, performs an extensive quality review of all awards before they may be submitted.

One of the primary objectives of ARRA is job creation and retention. The federal government has provided guidance as to how to calculate jobs created and retained. This guidance instructs recipients to express the number of jobs created and retained as a "full-time equivalent" (FTE), calculated quarterly as all hours worked and funded by ARRA during the reporting period, divided by the total number of hours in a full-time schedule for the quarter. This calculation method takes into account part-time work and jobs that span only a portion of a reporting quarter. For example, someone who worked half-time throughout the whole quarter would count as half of a job, as would someone who worked full-time for only half of the quarter. Because this calculation provides a snapshot of jobs during a single reporting quarter, jobs created or retained in any given quarter may not be summed with jobs created during previous or subsequent quarters.

To date, New York City has received a total of 56 funding awards to 23 City agencies. Of these, 42 were reported on in the January reporting period, while the remainder was either not subject to S. 1512 or awarded after the close of the quarter. Thirty-three of the 56 awards were received through formula allocations, while 20 were received through a competitive application process and a handful were granted by state discretion. The awards total \$6.1 Billion, which includes \$1.6 Billion in Medicaid Relief and \$841 Million in additional Food Stamp benefits. In addition to the 20 competitive grants awarded, New York City awaits word on 13 pending applications, and may have the opportunity to apply for additional competitive grants in the future.

As of the close of the reporting quarter, New York City had received a total of \$185 Million. The largest pot of funds received at that point were \$81.4 Million for Back-to-School cash assistance to help qualified families buy school supplies and new clothes for their school-aged children. As of the same date, New York City had spent \$475.6 Million in ARRA funds that either had been received or would be billed to ARRA awards. Nearly half of the total amount expended, \$228.7 Million, has been spent on education programs. Finally, ARRA funds in New York City have created or retained a total of 27,218 full-time equivalent jobs. This number includes 10,458 jobs retained as a result of ARRA-funded Medicaid Relief. Another 15,122 jobs are attributed to education programs, many of which restored funding to schools to retain staff that otherwise might have been cut.

For further detail on every award New York City has received, I turn your attention to the chart I have brought with me today. As you will see, the chart is organized into eight thematic funding categories, which include Economic and Workforce Development, Education, Energy Efficiency, Health and Social Support, Infrastructure, Medicaid Relief, Neighborhood Stabilization, and Public Safety. Revenues, expenditures, and job totals are through December 31, 2009, the close of the most recent reporting quarter. The expenditure totals listed may be greater than what has been reported to the Federal government or what is currently hosted on Recovery.gov. The discrepancy is due to some awards which are not obligated to be reported to the federal government, others which have yet to begin reporting, and certain expenditures which the federal government provides no place to report on its templates.

We have worked hard to provide the utmost transparency into the way ARRA funds are allocated and spent and how these funds impact New Yorkers. We accomplish this goal through the award-winning Stimulus Tracker website, created and maintained through a partnership with our Department of Information Technology and Telecommunications (DoITT). Stimulus Tracker provides data about every ARRA award New York City has received. Whereas the data collected by the federal government, made available at www.recovery.gov, is reported at the funding award level, Stimulus Tracker allows the public to dig several levels deeper. Each award is broken into several projects or

programs. For example, the Workforce Investment Act for Youth is a single award that funds five different programs, such as Subsidized Internships for Disconnected Youth and the Summer Youth Employment Program. Each project or program, in turn, has its own dashboard page with vital statistics such as the number of FTE jobs created or retained, the status of the project which indicates progress towards completion, and the percentage of total funds spent.

But the website does not stop there. For each project or program, visitors may drill into a record of every single payment made with ARRA funds, whether it be to pay City employees' salaries or to pay a contractor for roof repair at a NYCHA facility. Dashboard pages also link to contracting information, including contracts in all phases of the contracting process that are slated to be registered for the provision of goods or services to carry out the project at hand. All projects with a discrete location may be viewed using the CityMap mapping tool. The website also offers links to ARRA-related press announcements, summaries of all pending grant applications, and a reporting tool allowing users to cut the data in various ways. Finally, more than 3,000 people have signed up for the Stimulus Tracker e-Newsletter, which sends quarterly updates directly to the public's email inboxes.

Thank you for the opportunity to testify about the impact of the American Recovery and Reinvestment Act in New York City as well as to share the Administration's responsibilities and accomplishments concerning ARRA. We are happy to answer any questions at the end.