



Ecosystem Workforce Program

BRIEFING PAPER #24

Monitoring the American Reinvestment and Recovery Act in the 11 Western States

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Congress and President Obama designed the American Reinvestment and Recovery Act (ARRA) to preserve and create jobs, assist people in need, and stabilize state and local government budgets. The Act also directs federal investments towards projects that provide for longer-term economic benefits such as infrastructure and environmental protection. Between its passage in February 2009 and March 15, 2010, the federal government has awarded over \$21.5 billion in ARRA-funded contracts and nearly \$237 billion in ARRA-funded grants and agreements. During this time, the 11 western states have received approximately 20% of the total ARRA funds awarded.

In much of the rural West, the economic challenges of the current national recession have a long and persistent history. Poverty, an enduring measure of economic distress, is nearly 20% higher in non-metropolitan counties in the West than in counties with urban centers (14.9% vs. 12.5%), and is above the national average (14.9% vs. 13.2%). Seventy percent of western counties are nonmetropolitan, having no cities with more than 50,000 people. Furthermore, western counties with more than 50% of land managed by the federal government have unemployment rates between 1 and 2 percentage points greater than other western counties. The federal government manages more than half the land in 200 of the 413 counties in the 11 western states. Federal land management agencies have the opportunity to help address community and economic development needs and natural resource conservation in the West using the ARRA authority.

In this briefing paper we examine how ARRA funding has been awarded in western counties. We provide an update to a previous examination of ARRA funding and examine trends in awards in the West.

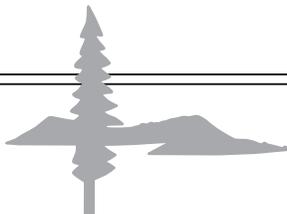
Approach

To understand how ARRA funds were spent, we compiled spending data from the Federal Procurement Data System and USASpending. Updated data can be found at www.recovery.gov.

Our primary goal was to summarize ARRA funding awarded by the county of the home location of award recipients rather than by the county where the work was performed. Although, economic benefits do accrue to the place of performance, the majority of economic benefits and capacity development are likely to accrue to the award recipient's home county, where employees are likely to live, owner income will likely be invested, and business capacity will grow. We examined how much ARRA funding was awarded, the dominant agencies awarding funding, and how much land management funding was awarded by county. We then shift perspectives and assessed how much land management funding was awarded to local contractors – the local capture rate. Last, we monitored changes in the above measures since our last examination of ARRA data for the 11 western states, which focused on the 2009 federal fiscal year. The data presented in this paper reflect ARRA awards made through March 15, 2010.

Findings

Following the pattern we found in FY 2009 that metropolitan counties received 3 times the amount of ARRA awards as rural counties, we continue to find that the largest concentrations of ARRA funding are awarded to entities located in metropolitan counties (Map 1). In fact, the discrepancy has grown with businesses and organizations in metropolitan counties now being awarded greater than 5 times the amount of ARRA funding per capita than recipients in rural counties. ARRA awards



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for the 127 metropolitan counties in the West average approximately \$814 per person (a total of \$43.5 billion); the 96 micropolitan counties were awarded approximately \$444 per person (a total of \$1.7 billion), and the 190 rural counties received approximately \$158 per person (a total of \$345 million). No awards were made to entities in 34 rural counties. Recognizing that many awards are redistributed from state capitals, we find that even excluding state capitals, counties with urban populations still were awarded more than twice the funding awarded to recipients in rural counties.

The Departments of Agriculture and Interior awarded over \$2.5 billion in contracts, grants, and agreements in western counties (Map 2), demonstrating a substantial ramp-up from the \$550 million distributed in FY 2009. The Forest Service and Bureau of Land Management (BLM), the major federal land managers in the West have now awarded \$484 million. In total, funding for lands, agriculture, and the environment including funding from the Environmental Protection Agency and the National Oceanic and Atmospheric Administration, which funds a substantial amount of anadromous fisheries work, reached nearly \$4 billion. However, funding for lands, agriculture, and the environment, remains less than funding for education (\$16.2 billion), labor (\$6.7 billion), energy (\$6.3 billion), and transportation (\$5.5 billion). The amounts awarded largely reflect the design of ARRA, which provided a relatively little funding for federal land management.

Together, the Forest Service and BLM awarded contracts, grants, and agreements to businesses and nonprofits located in a total of 208 western counties (Map 3), representing the addition of awards to recipients in 94 counties that did not receive awards in FY 2009. The number of counties with contract award recipients from the Forest Service has doubled since the end of FY 2009, now reaching 144 counties. In 67 of those counties, the Forest Service investment was the largest ARRA investment made by any agency. The same pattern holds with the BLM. Over 100 counties now have contract award recipients from the BLM, nearly twice as many as at the end of FY 2009; however, in only 27 of those counties has the BLM investment been greater than any other agency. The Forest Service has now awarded grants and agreements to recipients in 81 counties (33 more than at the end of FY 2009), and in 25 of those counties the Forest Service awards represented the largest investment made by any

agency in that county. The BLM has only awarded grants and agreements in 14 counties, of which 4 were the largest ARRA investment of any agency.

To consider how much work was awarded locally, we compared the location where the work was performed with the home location of the organization performing the work (Map 4). The Forest Service and BLM awarded contracts, grants, and agreements for work to be performed in 229 counties across the West, 61 more counties than at the end of FY 2009. In 38% of those counties, the contract, grant, or agreement recipients were all from outside the county. In 23% of counties where work was performed, the contract, grant, or agreement recipients were all local. Overall, there has been little change in local capture from the end of FY 2009. Currently, in only 43% of counties where the Forest Service and BLM are doing work are ARRA funds completely or mostly awarded to local recipients, an increase of 2% since the end of FY 2009.

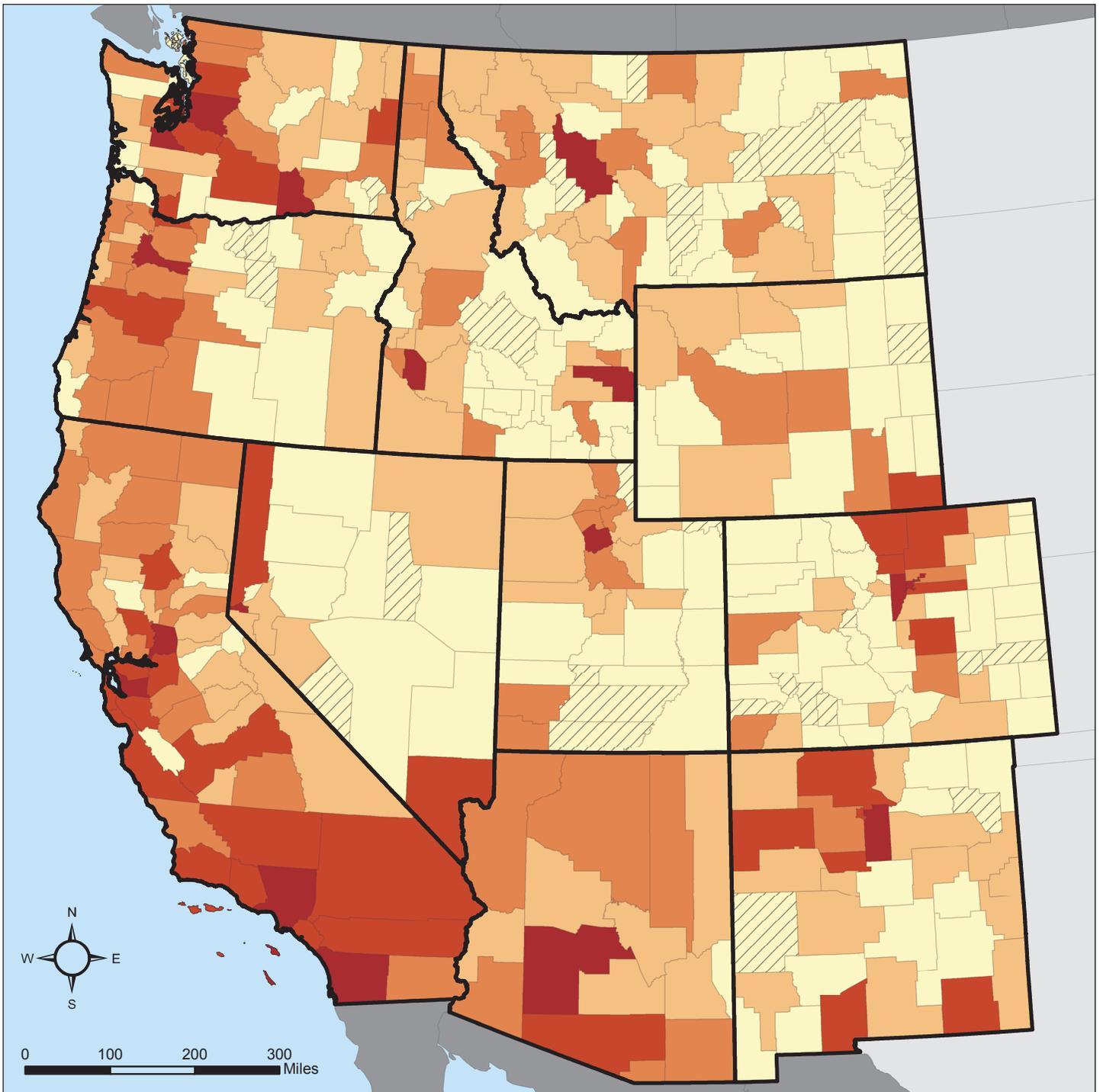
Conclusion

Across all agencies, the gap in ARRA awards between rural and urban counties in the West has grown since then end of FY 2009, with urban counties receiving between 2 and 5 times the amount of ARRA awards as rural counties. This gap contributes to the inequities between rural and urban populations exemplified by persistent rural poverty. As economic recovery continues, the federal government has the opportunity to help address rural economic distress through stewardship of public lands.

As of mid-March 2010, the Forest Service and BLM have signed contracts and agreements for about one-third (\$484 million) of the nearly \$1.5 billion that Congress authorized through the American Recovery and Reinvestment Act, up from \$209 million in the fiscal year 2009. As the remaining two-thirds of the land management agencies' ARRA funding is awarded, these agencies can lead the development of long-term capacity and infrastructure for sustainable land management and environmental stewardship in non-metropolitan counties where nearly 75% of federal lands are located. Addressing long term land management needs and community capacity will help to create and preserve jobs for the portion of the population with some of the greatest long-term need.

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Total ARRA Awards by County



Map 1. The largest concentrations of ARRA funding were awarded to recipients in major metropolitan centers such as Los Angeles, San Francisco, and Phoenix. Most awards in rural counties were comparatively small. Per capita, recipients in metropolitan counties were awarded more than four times the amount of ARRA funding than recipients in rural counties, a gap that has grown nearly 40% since September 2009.

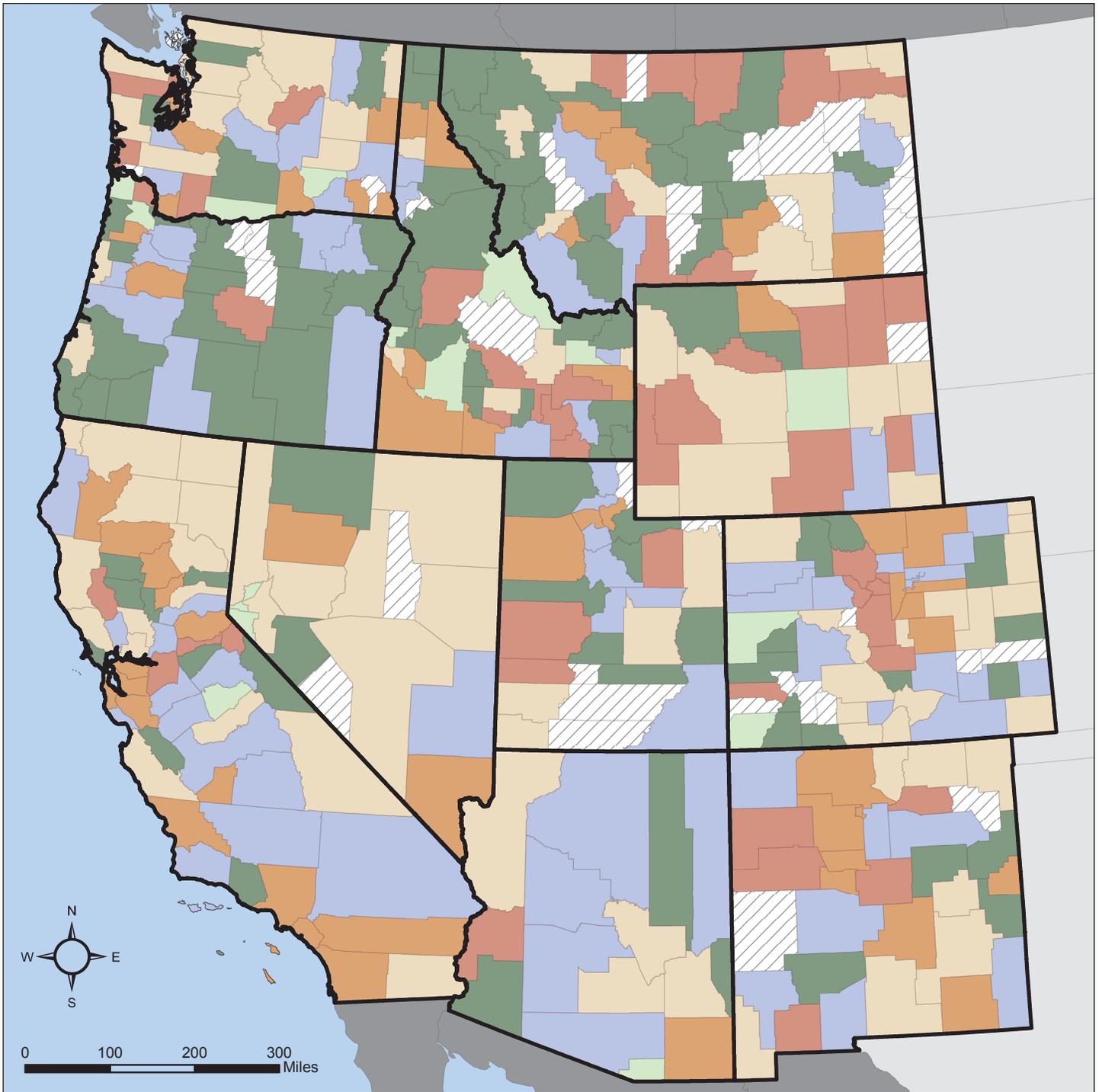
Total ARRA Funding

- Metropolitan Counties
- Zero Dollars
- Under \$1,000,000
- \$1,000,001 - \$10,000,000
- \$10,000,001 - \$50,000,000
- \$50,000,001 - \$500,000,000
- Over \$500,000,000

Data Sources: Federal Procurement Data System (Contracts) and USASpending (Grants)



ARRA Funding by County



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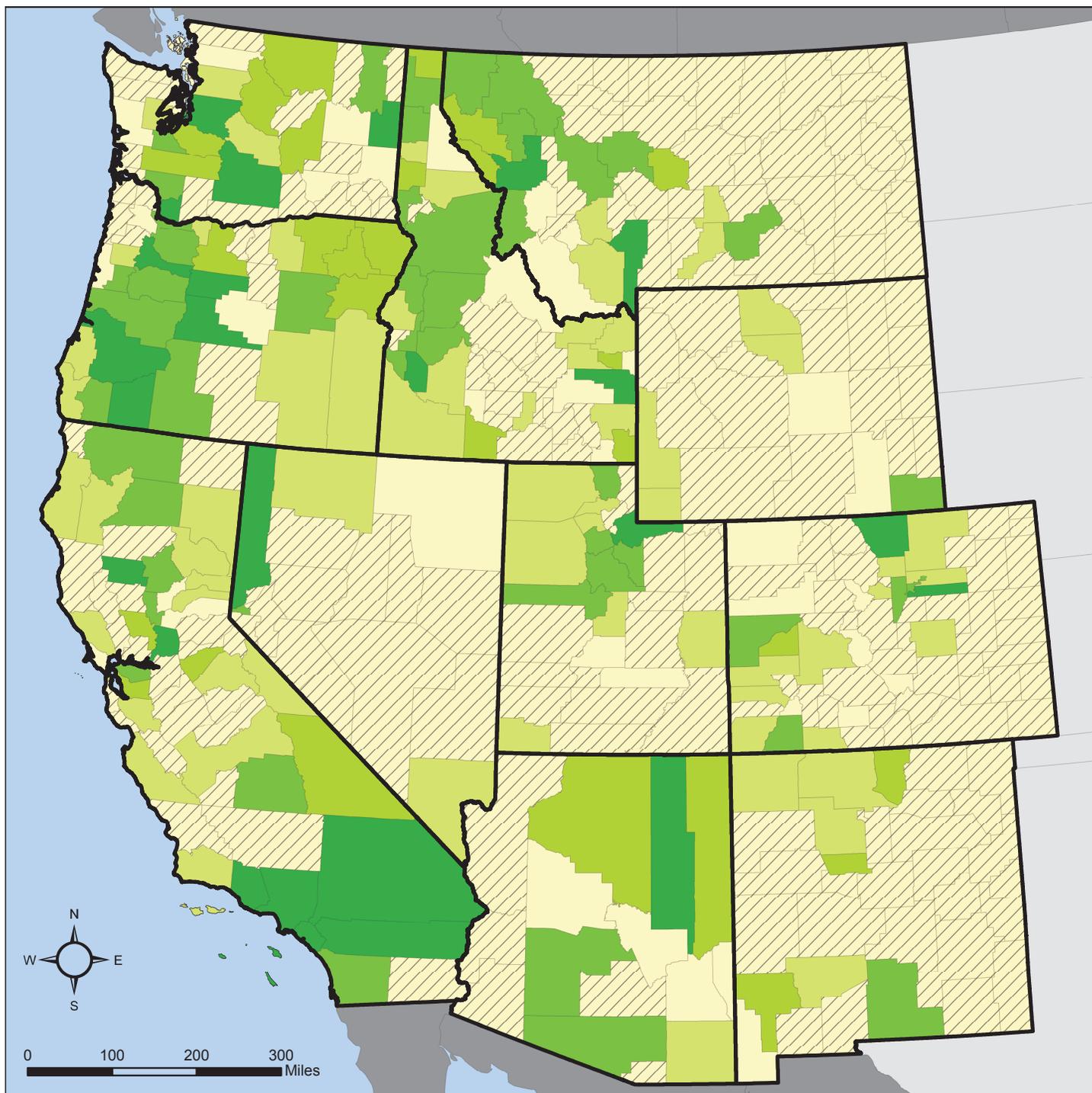
Map 2. The Departments of Agriculture and Interior awarded nearly \$2.5 billion in contracts, grants, and agreements in western counties, and were the dominant source of ARRA funding in 90 western counties. Investments in lands, agriculture, and the environment totaled nearly \$4B, compared to investments from other agencies in education (\$16B), defense and energy (\$8B), housing and transportation (\$8B), justice (\$1B), and nearly \$8B spending in other areas such as labor and commerce.

Dominant Focus of ARRA Funding

- Lands, Agriculture and Environment
- Infrastructure
- Education
- Justice
- Defense and Energy
- Other Agencies
- No ARRA Awards

Data Sources: Federal Procurement Data System and USASpending

USFS and BLM ARRA Awards by Vendor County



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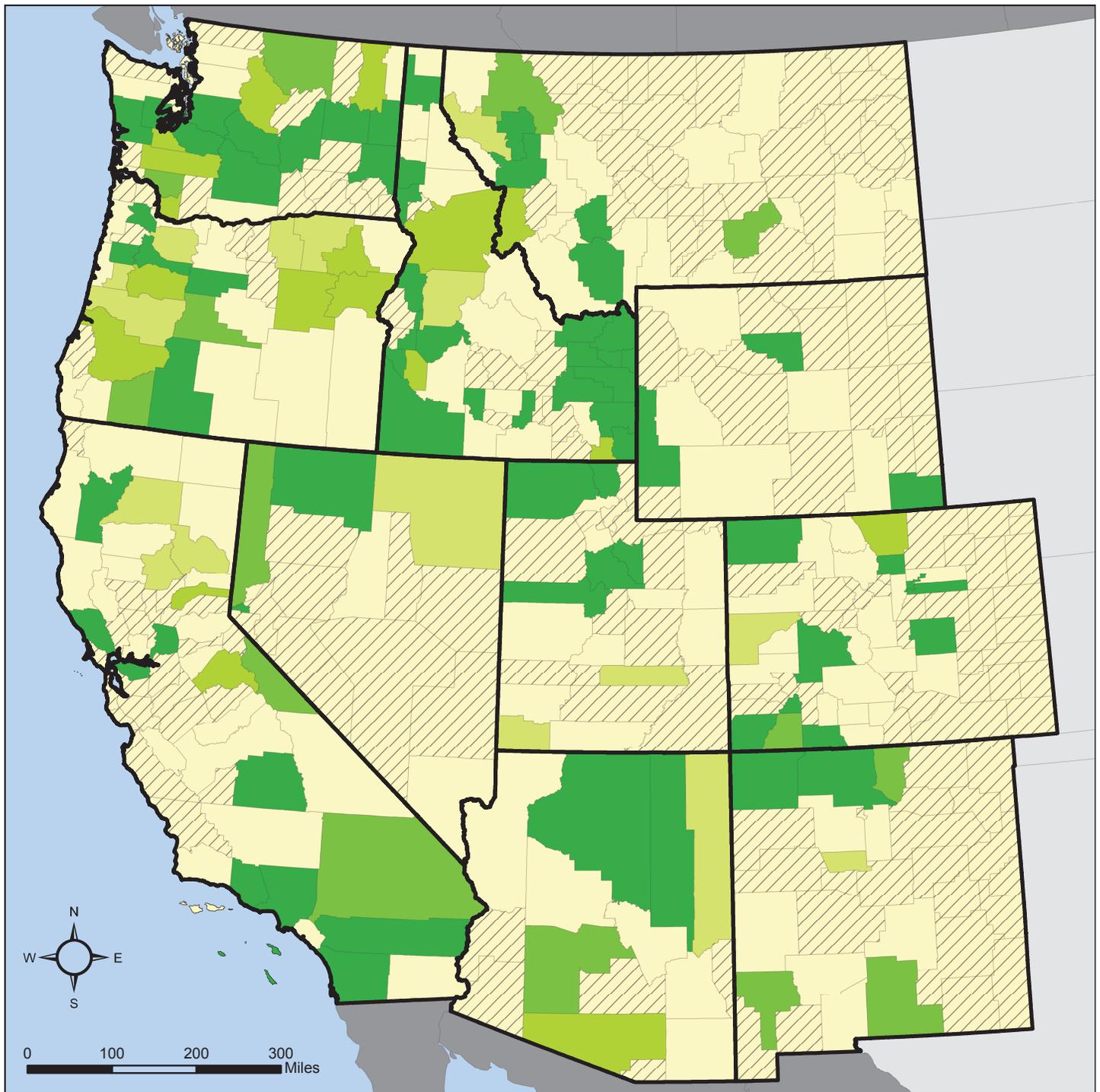
Map 3. The Forest Service and Bureau of Land Management awarded ARRA funds to businesses and nonprofits in 208 western counties. Forest Service and BLM contracts averaged slightly less than \$250,000, and focused primarily on fire hazard reduction, road repair and maintenance, surveys, and other services. Forest Service grants and agreements averaged over \$800,000 and focused primarily on wildland fire management, while BLM awards averaged nearly \$5 million and focused primarily on water conservation.

Total ARRA Funding Awarded by the USFS and BLM

- Zero Dollars
- Under \$100,000
- \$100,001 - \$500,000
- \$500,001 - \$1,000,000
- \$1,000,001 - \$5,000,000
- Over \$5,000,000

Data Sources: Federal Procurement Data System (Contracts) and USASpending (Grants)

Awarding the Work Locally: Were local vendors and grantees chosen?



Map 4. The Forest Service and Bureau of Land Management awarded contracts and grants for work in 229 counties across the West. In 38% of those counties, all the award recipients were from other counties. In 23% of counties, the award recipients were all local. Of the remaining counties, 45 captured at least 50% of the ARRA funding locally, while 44 counties captured less than 50% of the ARRA funding locally.

FS/BLM Grants, Agreements, and Contracts

- No Grants, Agreements, or Contracts
- Under 20
- 20.1 - 40
- 40.1 - 60
- 60.1 - 80
- Over 80

Percent of Dollar Amount of Grants, Agreements, and Contracts Captured by Local Contractors

Data Sources: Federal Procurement Data System (Contracts) and USASpending (Grants and Agreements)

