

## ***ARRA Stimulus Funding: Creating Opportunities for an Effective Balance***

### Executive Summary

Enactment of the American Recovery and Reinvestment Act (ARRA) of 2009 provides a unique opportunity for governments and businesses to promote efforts to ensure long-term economic stability and viability in the United States. Stimulus initiatives established under ARRA include but are not limited to, the development and deployment of broadband infrastructure for use in unserved and underserved areas; Title I funding for education including equipment and support to schools; resource opportunities for libraries; expansion of health information technology; and, energy solutions.<sup>1</sup>

Various federal and state entities are now tasked with the responsibility of qualifying and prioritizing applicants who are most in need of ARRA funding. This immense undertaking will require unprecedented transparency and accountability to thwart waste, fraud and abuse. As a trusted leader in process outsourcing, including the administration of federal and state public benefit and grant programs, Solix Inc. has extensive experience in identifying opportunities and implementing solutions for even the most complex process challenges. Over time, we have refined our processes and developed best practices that have proven successful in meeting a wide array of client needs. In determining opportunities and solutions under the provisions of ARRA, Solix believes that a balanced approach to the deployment of stimulus funds can be best achieved through the application of the following four core concepts.

- (1) **Speed of Delivery:** Implementing efficient and proven grant application and review processes.
- (2) **Secure and Comprehensive Data Collection:** Collecting current, relevant, and sufficient data in a secure manner.
- (3) **Proper Staffing:** Employing skilled and experienced personnel to perform review and approval functions.
- (4) **Program Compliance:** Granting awards subject to internal process controls and subsequent compliance reviews to minimize waste, fraud, and abuse.

### ***Keys to Achieving a Balanced Funding Approach***



<sup>1</sup> American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

## **Speed of Delivery**

A primary objective of ARRA is to allow qualified recipients to receive government stimulus funds promptly in order to spur investment and economic recovery. As directed by the Office of Management and Budget, “agencies must determine what award method(s) will allow recipients to commence expenditures and activities as soon as possible consistent with prudent management and statutory requirements.”<sup>2</sup> In order to quickly accomplish an undertaking of this magnitude, it is necessary to take advantage of the synergies offered by employing existing expertise, processes, and procedures.

For example, a specific means to efficiently implement stimulus funding application and review processes is the use of a proven, systems-based approach. A grant or funding application process typically requires manual intervention in order to thoroughly analyze proposed project overviews and qualitative data, but an experienced administrator also recognizes opportunities for automation and has established routines and systems that automate a significant percentage of the workload. Organizational experience with application review and eligibility determination also minimizes the required learning curve through the carry forward and application of lessons learned.

## **Secure and Comprehensive Data Collection**

Government funding programs require the collection and analysis of data received from applicants in order to substantiate applications and verify program eligibility. The most efficient method for collecting and analyzing large quantities of data is the implementation of a user-friendly, Internet-based system designed to ensure the secure collection, storage, and safeguarding of confidential information. The use of a system-based approach further strengthens data integrity, internal controls, and reporting capabilities. For example, automated edit checks can be designed into the data collection system to disallow the entry of information that is outside predefined upper or lower limits or that does not match predefined data field parameters. Variance and outlier analyses can also be automatically generated by the system to provide flags that identify data sources warranting additional follow-up and review.

## **Proper Staffing**

Regardless of the process design or level of automation, people are always the key to success. Although public benefit initiatives are generally established through well-defined statutory or regulatory agency rule requirements, necessary program administration skill sets include the experience and ability to translate complex regulatory requirements into functioning systems and processes; in essence, the ability to provide process clarity for all program participants. Equally important is the aptitude and know-how to apply existing institutional knowledge in identifying and addressing the myriad scenarios that are not clearly defined by program parameters. The ability to identify issues that need to be addressed by working collaboratively with the oversight agency is a significant value added when a highly trained and experienced staff is put on the job.

---

<sup>2</sup> Executive Office of the President, Office of Management and Budget, *Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009*, February 18, 2009, p. 32.

## **Program Compliance**

The integrity of public benefit funds and programs is dependent upon the proper design and implementation of checks and balances throughout the end-to-end data collection, review, analysis, and approval processes. Internal controls must be incorporated into the application review and approval procedures to ensure that reviewers are performing their functions consistently, thoroughly, and impartially. Award decisions must also be subject to quality reviews by management to further strengthen the integrity of the pre-commitment process. Post-approval reviews provide an additional opportunity to monitor process quality and to take corrective action regarding specific decisions as necessary, thereby minimizing waste, fraud, and abuse. In addition to the internal reviews performed by the administrator, the oversight agency is provided with comprehensive and timely managerial reports that allow for its independent review and verification.

A comprehensive control environment further requires that the compliance process not end with the disbursement of funds. After applicants receive an award or grant, the program administrator should conduct reviews of a statistically significant sample of recipients to verify that awards were appropriately substantiated and that funds were used as intended and as justified in the application. Compliance reviews can also be conducted to collect and verify more detailed supporting documentation than may have been collected as part of the standard application process.

## **Conclusion**

Solix' experience in developing and administering complex application review processes and systems for the federal E-Rate and Rural Health Care programs, as well as numerous state public benefit initiatives, positions it as a market leader in application review and eligibility determination. We support our government and commercial clients through our comprehensive services and value-based solutions. Our successes with these programs have allowed us to identify and outline the key components of an effective and balanced strategy to managing public benefit programs and initiatives.

The efficient and timely distribution of ARRA funds is a key component of our economic recovery. The timely implementation of ARRA stimulus initiatives can be accomplished while achieving transparency and ensuring accountability. The engagement of a trusted partner that utilizes existing and tested systems and processes; secure data collection, transfer, and storage techniques; experienced human capital to provide expert reviews; and comprehensive controls designed to minimize waste, fraud, and abuse can greatly improve program compliance and integrity. Application of these concepts makes it possible for an oversight agency to satisfy market demands for prompt and technology-driven solutions while simultaneously ensuring the integrity of the public funds and program objectives.

---

*Solix, Inc. is a process outsourcing firm serving government and commercial clients. We provide complete solutions for program administration, with an emphasis on eligibility determination, funds distribution, grant administration, managerial reporting, and compliance reviews. Solix-managed programs include Internet and telecommunications infrastructure for schools, libraries, and rural health care providers; low-income telephone and electric service discount certification and verification; medical screening reimbursement; and support services for the physically impaired. Through its wholly-owned subsidiary, Lytmos Group, Inc., Solix offers peer-review services and program administration tailored to grant programs involving high-technology research, economic development projects, and social services interventions.*