

December 2009

RECOVERY ACT

Status of States' and Localities' Use of Funds and Efforts to Ensure Accountability (Illinois)



GAO

Accountability * Integrity * Reliability

Appendix VII: Illinois

Overview

This appendix summarizes GAO's work on the fourth of its bimonthly reviews of American Recovery and Reinvestment Act of 2009 (Recovery Act) spending in Illinois. The full report covering all of GAO's work in the 16 states and the District of Columbia may be found at <http://www.gao.gov/recovery>.

What We Did

We conducted work on four specific programs funded under the Recovery Act—Highway Infrastructure Investment, Transit Capital Assistance, Fixed Guideway Infrastructure Investment, and the Public Housing Capital Fund. For descriptions and requirements of the programs we included in our review, see appendix XVIII of [GAO-10-232SP](#). We selected the four programs primarily to follow up on issues we reported on in previous bimonthly reviews. Our work focused on the status of the programs' funding, how funds are being used, and other issues that were specific to each program. As part of our review, we visited agencies in Arlington Heights, Chicago, Springfield, and Ottawa.

To gain an understanding of the state's experience in meeting the Recovery Act reporting requirements, we held discussions with the Office of the Governor. Although Illinois is a decentralized reporting state—meaning each prime recipient of Recovery Act funds is required to report quarterly to federalreporting.gov on a number of measures, including the use of funds and estimates of the number of jobs created and retained—the state plays a role in reviewing the data state agencies plan to report to federalreporting.gov. The first quarterly reports were due in October 2009.

Finally, our work in Illinois included monitoring the state's fiscal situation and visiting three cities—Chicago, Joliet, and Springfield—to determine the amount of Recovery Act funds each received and learn how those funds were spent. We selected Chicago because it is the largest city in Illinois; Joliet because it had an unemployment rate above the state average; and Springfield because it had an unemployment rate below the state average.

What We Found

- **Highway Infrastructure Investment Funds.** The U.S. Department of Transportation's Federal Highway Administration (FHWA) apportioned \$935.6 million in Recovery Act funds to Illinois. As of October 31, 2009, the federal government had obligated \$772.2 million to Illinois and \$313 million had been reimbursed by the federal government. Because the Illinois Department of Transportation (DOT)

was able to award contracts for less than the estimated cost of some projects, FHWA has deobligated \$105.5 million and Illinois DOT has requested that these funds be obligated toward other highway projects. The state also revised both its definition of economically distressed areas and its maintenance-of-effort calculation based on new federal guidance.

- **Transit Capital Assistance and Fixed Guideway Infrastructure Investment.** The Federal Transit Administration apportioned \$375.5 million in Transit Capital Assistance and \$95.5 million in Fixed Guideway Infrastructure Investment funds to Illinois and urbanized areas within the state for transit projects. Transit agencies under northeastern Illinois's Regional Transportation Authority were allocated \$414.2 million for transit projects, including \$318.7 million from the Transit Capital Assistance program and \$95.5 million from the Fixed Guideway Infrastructure Investment program. As of October 1, 2009, the three transit agencies that make up the Regional Transportation Authority had initiated most of the transit projects they planned to fund with Recovery Act dollars.
- **Public Housing Capital Fund.** Illinois has 99 public housing agencies that have received Recovery Act formula grants. In total, these public housing agencies have received \$221.5 million in Public Housing Capital Fund formula grants. As of November 14, 2009, 89 of these public housing agencies have obligated \$41.8 million and 76 have drawn down \$16.4 million. In addition to the Capital Fund formula grants, HUD awarded 32 competitive grants to housing agencies in Illinois. Both the Chicago Housing Authority and the Housing Authority for LaSalle County—the two housing agencies we visited for this and previous reports—continued to make progress on Recovery Act projects.
- **Recipient reporting.** The Illinois Office of the Governor requires state agencies to submit employment and other data to the Illinois Federal Reporting Test site for review and verification before they submit their data to federalreporting.gov in order to help ensure that information reported were correct. Most of the errors the state identified during its review of agencies' data were relatively minor.
- **Illinois's fiscal condition.** Recovery Act funds continued to assist the state primarily in funding its education, infrastructure, and Medicaid programs and will allow the state to provide an additional \$2.4 billion in assistance this fiscal year. The state plans to reduce

spending and will seek new revenue sources in anticipation of an end to Recovery Act assistance after fiscal year 2010.

- Cities' use of Recovery Act funds.** Chicago, Joliet, and Springfield have all received Recovery Act grants directly from multiple federal agencies. Chicago received a total of \$1 billion, Joliet received a total of \$3.8 million, and Springfield received a total of \$5.3 million. The cities generally used the Recovery Act grants to create or expand a variety of programs and services that would otherwise have remained unfunded, such as energy efficiency upgrades.

Illinois's Highway Contracts Awarded for Less than Cost Estimates and the State Has Revised the Number of Economically Distressed Counties and Maintenance-of-Effort Estimate

As we reported in September 2009, \$935.6 million was apportioned to Illinois in March 2009 for highway infrastructure and other eligible projects.¹ As of October 31, 2009, \$772.2 million had been obligated, resulting in 518 highway projects (see table 1). As of October 31, 2009, \$313 million had been reimbursed by FHWA.

Table 1: Illinois's Highway Funds Allocated, Obligated, and Unobligated as of October 31, 2009

	Allocated	Obligated	Unobligated
70 percent for use on state highways	\$654,914,893	\$617,883,081	\$37,031,812
30 percent of apportioned funds suballocated for metropolitan, regional, and local use	\$280,677,811	\$154,345,074	\$126,332,737
Total	\$935,592,704	\$772,228,155	\$163,364,549

Source: GAO analysis of FHWA data.

¹See GAO, Recovery Act: Funds Continue to Provide Fiscal Relief to States and Localities, While Accountability and Reporting Challenges Need to Be Fully Addressed (Appendixes), [GAO-09-1017SP](#) (Washington, D.C.: September 2009).

Illinois Department of Transportation Continues to Award Contracts for Highway Projects for Less than the Estimated Cost

Illinois DOT officials told us that project bids have been about 15 percent less than initial cost estimates on average. According to Illinois DOT officials, because the agency was able to award contracts for less than the estimated cost of some projects, FHWA has deobligated \$105.5 million and Illinois DOT has requested that these funds be obligated toward other highway projects. Illinois DOT officials attribute the lower bids to multiple bids being submitted per project and contractors' willingness to price their bids competitively.

Illinois Has Revised Its Determination of Economically Distressed Areas to Include 18 Additional Counties

FHWA issued new guidance in August 2009 for states to designate "special need" areas in order to meet the statutory definition of economically distressed areas. As we reported in September, Illinois had developed its own criteria based on applicable federal law and guidance for designating such areas as economically distressed, a key component for prioritizing highway projects for funding under the Recovery Act.² Based on the supplemental guidance issued by FHWA, Illinois DOT revised its analysis of counties that meet the definition of economically distressed areas.³ As part of its new analysis, Illinois DOT determined that 92 of 102 counties in the state qualified as economically distressed areas—18 more than were identified in March 2009.⁴ Of the 518 Recovery Act projects Illinois has started to date, about 96 percent (496) are located in economically distressed counties. The total estimated cost for the 496 projects is \$724 million, or about 93 percent of total Illinois funds FHWA has obligated to date.

²GAO-09-1017SP.

³FHWA *Supplemental Guidance on the Determination of Economically Distressed Areas under the Recovery Act* (August 24, 2009). This guidance included criteria for designating counties as economically distressed based on special need, which took into consideration factors such as actual or threatened business closures, business restructuring, military base closures, and natural disasters or emergencies.

⁴Officials from the FHWA Illinois Division Office reviewed the rationale the Illinois DOT used to identify economically distressed counties.

Illinois to Revise and Recertify Maintenance-of-Effort Estimate

The state of Illinois is revising its highway infrastructure investment maintenance-of-effort certification and will submit it to the U.S. Department of Transportation once the department establishes a submittal deadline.⁵ On September 24, 2009, FHWA issued supplemental guidance on the maintenance-of-effort requirement, which clarified that states should include in their certified amounts the funding they provide to local governments for transportation projects. Based on the supplemental guidance, Illinois recalculated its highway infrastructure investment maintenance-of-effort amount, which increased from \$814 million to \$1.7 billion.

Recovery Act Transit Funds Benefited Metropolitan Chicago

The Federal Transit Administration apportioned \$375.5 million in Transit Capital Assistance funds and \$95.5 million in Fixed Guideway Infrastructure Investment funds to Illinois and urbanized areas within the state for transit projects.⁶ Approximately \$414.2 million was allocated to transit agencies under northeastern Illinois's Regional Transportation Authority, including \$318.7 million from the Transit Capital Assistance program and \$95.5 million from the Fixed Guideway Infrastructure Investment program.⁷ As of October 1, 2009, the three transit agencies that comprise the Regional Transportation Authority—the Chicago Transit Authority, Metra (a regional commuter rail system), and Pace (a suburban bus system)—had initiated most of the transit projects they planned to fund with Recovery Act dollars (see fig. 1). The Chicago Transit Authority and Pace used Recovery Act funds to, among other things, purchase

⁵The Recovery Act requires that the state certify that it will maintain the level of spending for the types of transportation projects funded by the Recovery Act that it had planned to spend the day the Recovery Act was enacted. Recovery Act, div. A, title XII, § 1201(a).

⁶The Transit Capital Assistance Program provides capital assistance for transit projects in urban and non-urban areas. The Fixed Guideway Infrastructure Investment Program provides capital assistance for the modernization of existing fixed guideway systems, such as heavy rail, commuter rail, and light rail. The jurisdictions of some urbanized areas within the state cross into at least one other state. These urbanized areas are reflected in each of the states in which they are located. Therefore, some urbanized areas are included in multiple state totals.

⁷As of November 5, 2009, the Federal Transit Administration had obligated \$362.1 million (96 percent) of the Transit Capital Assistance funds—including \$318.6 million to the transit agencies under the Regional Transportation Authority—and all of the Fixed Guideway Infrastructure Investment funds.

buses.⁸ Metra used Recovery Act funds to, for example, repair locomotives and rehabilitate stations.

Figure 1: Status of Transit Projects in the Chicago Metropolitan Area, as of October 1, 2009

Transit agency	Program	Number of projects	Dollars obligated (in millions)
Chicago Transit Authority	Transit Capital Assistance	1 (completed), 5 (started), 5 (Recovery Act)	\$191.3
	Fixed Guideway	2 (completed), 4 (started), 4 (Recovery Act)	48.9
Metra	Transit Capital Assistance	10 (started), 11 (Recovery Act)	94.2
	Fixed Guideway	2 (started), 5 (Recovery Act)	46.6
Pace	Transit Capital Assistance	3 (started), 3 (Recovery Act)	33.1

 Projects using Recovery Act funds
 Projects started
 Projects completed

Source: GAO analysis of Chicago Transit Authority, Metra, and Pace data.

Chicago Transit Authority and Pace officials said that they did not experience any major difficulties reporting employment data to federalreporting.gov during the October 2009 reporting cycle.⁹ However, both agencies expressed some reservation about the quality of the employment information they had gathered from bus manufacturers. Officials from both agencies said that the manufacturers provided them

⁸We reviewed two contracts the Chicago Transit Authority and Pace used to procure buses. According to Chicago Transit Authority officials, the agency used an option on an existing Washington Metropolitan Area Transit Authority contract to procure 58 60-foot articulated hybrid buses for \$48.9 million. Chicago Transit Authority officials said that the existing contract was awarded competitively to the best value bidder, was fixed price, and in accordance with existing contracting procedures. Officials confirmed that the manufacturer had delivered all of the buses as of September 11, 2009. According to Pace officials, they issued a \$16.6 million change order to an existing 5-year contract to purchase an additional 58 30-foot buses. Pace officials said that the original contract was awarded competitively to the lowest bidder and in accordance with the existing contracting procedures. They also stated that the unit price per bus was the same as the original contract price. Officials said they expect the manufacturer to begin production in February 2010 for delivery later that year.

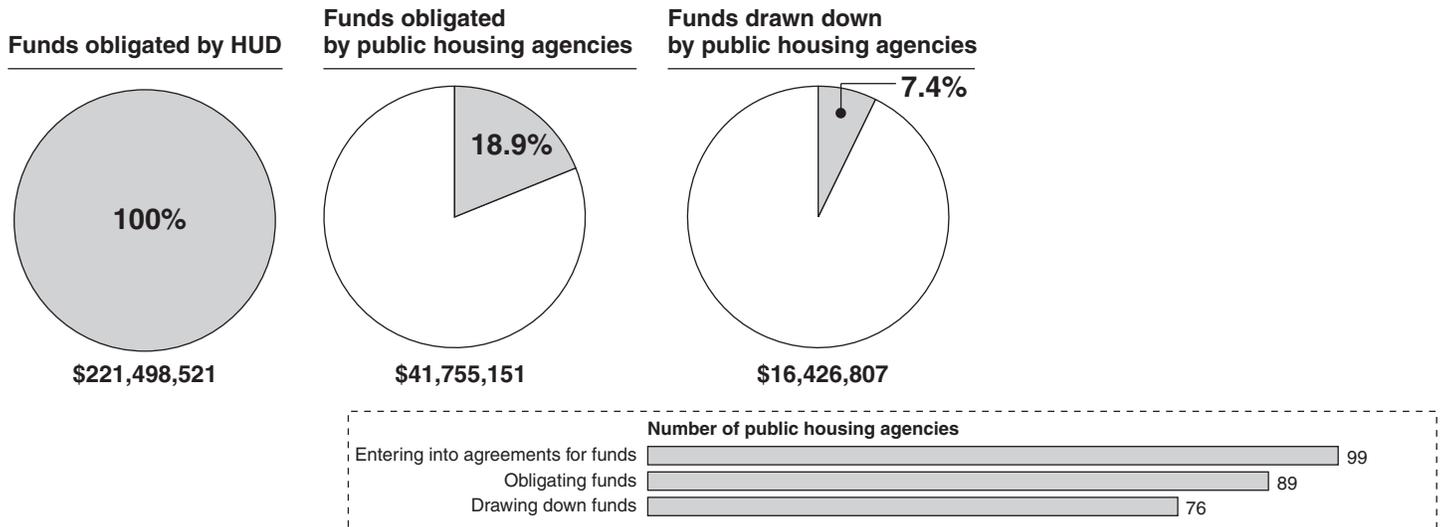
⁹Under § 1512 of the Recovery Act, direct recipients of Recovery Act funds are expected to report quarterly to federal agencies (through the federalreporting.gov Web site) on a number of measures, including the use of funds and the number of jobs created and retained.

with data on the hours worked per project, but that they could not verify the accuracy of those data.

Illinois Public Housing Agencies We Visited Continue to Make Progress on Recovery Act Projects

Illinois has 99 public housing agencies that have received Recovery Act formula grants. In total, these public housing agencies have received \$221.5 million in Public Housing Capital Fund formula grants (see fig. 2). As of November 14, 2009, 89 of these public housing agencies have obligated \$41.8 million and 76 have drawn down \$16.4 million. On average, housing agencies in Illinois are obligating funds slower than housing agencies nationally. We visited the following two housing agencies for this report: the Chicago Housing Authority and the Housing Authority for LaSalle County.

Figure 2: Percent of Public Housing Capital Fund Formula Grants Allocated by HUD That Have Been Obligated and Drawn Down by Public Housing Agencies in Illinois, as of November 14, 2009



Source: GAO analysis of HUD data.

Both the Chicago Housing Authority and the Housing Authority for LaSalle County have made progress on the Recovery Act projects they identified for our July 2009 report.¹⁰ However, Chicago Housing Authority officials reported that they had to replace 3 of the 12 projects on their original list

¹⁰See GAO, *Recovery Act: States' and Localities' Current and Planned Uses of Funds While Facing Fiscal Stresses (Appendixes)*, GAO-09-830SP (Washington, D.C.: July 2009).

because they began prior to HUD's Recovery Act project eligibility date.¹¹ Nevertheless, the Chicago Housing Authority expects to meet the March 17, 2010, deadline for obligating all of its allocated funds. The Housing Authority for LaSalle County did not change its planned Recovery Act projects and, like the Chicago Housing Authority, expects to meet the March 17, 2010, deadline. As of June 18, 2009 (120 days after the date Recovery Act funds were made available to housing agencies), the Chicago Housing Authority had awarded contracts totaling approximately 13 percent of its Recovery Act funds.¹² The Housing Authority of LaSalle County had awarded contracts totaling just over 50 percent of its allocated funds.

Recovery Act Projects Will Result in Rehabilitated Units for Seniors and Families

Figure 3 describes some of the projects the Chicago Housing Authority and the Housing Authority for LaSalle County funded with Recovery Act monies.

¹¹See HUD, *Information and Procedures for Processing American Recovery and Reinvestment Act Capital Fund Formula Grants*, PIH-2009-12 (HA) (Washington, D.C.: March 18, 2009). The housing agency replaced two of the ineligible projects with the next two "shovel ready" projects and with HUD's approval, deferred approximately \$28 million in Recovery Act funds it had allocated to the third phase of the Dearborn Homes redevelopment to a later phase.

¹²Under the Recovery Act, public housing agencies are to give priority to projects that can award contracts based on bids within 120 days from the date the funds are made available, as well as projects that rehabilitate units, or those already underway or included in the required 5-year capital fund plans.

Figure 3: Descriptions of Selected Public Housing Projects Funded with Recovery Act Monies



Source: GAO analysis of Chicago Housing Authority and Housing Authority for LaSalle County information.

^aHUD's Capital Fund program provides annual formula grants to housing agencies for development, financing, modernization, and management improvements.

^bThe Low-Income Housing Tax Credit program was designed to provide the private market with an incentive to invest in affordable rental housing. The tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents.

In addition, at the Ravlin Congregate Center, the housing agency is updating kitchens and bathrooms in 84 senior apartments and updating common areas. The housing agency has obligated \$658,626 to the project and has expended \$570,225. Work began in August 2009 and is expected to be completed in December 2009.¹³

¹³We reviewed a \$651,345 contract for the renovation of the kitchens and bathrooms the housing agency awarded for this project. Housing agency officials said that the contract was awarded competitively to the lowest bidder and was fixed price. They also said that they followed HUD contracting guidance in awarding the contract, as they do for all contracts.

Illinois Housing Agencies We Spoke to Faced Challenges Associated with the Buy American Provision

Both the Chicago Housing Authority and the Housing Authority for LaSalle County reported challenges in meeting the requirements of, and monitoring contractors' compliance with, the Buy American provision in the Recovery Act.¹⁴ For example, the Chicago Housing Authority is using Recovery Act funds to update the security camera systems throughout its housing portfolio. Housing agency officials said that the new cameras must be compatible with the agency's own security monitoring systems, as well as with those of the Chicago Police Department; however, they also said that the cameras that meet their specifications are not made in the United States. The housing agency is working with HUD to resolve the issue. Similarly, officials from the Housing Authority for LaSalle County said that despite including requirements to comply with the Buy American provision in its contracts, they have identified at least one project in which non-American materials were used. In this case, the housing agency required the contractor to redo the work with American-made products.

Illinois Housing Agencies We Spoke to Reported Employment Data, but One Did Not Apply Reporting Guidance

Chicago Housing Authority officials said that they did not experience any major difficulties reporting employment data to federalreporting.gov during the October 2009 reporting cycle. The housing agency also partnered with the City of Chicago to train contractors and other vendors on how to collect and report employment data to the housing agency. Housing Authority for LaSalle County officials said that they reported the number of people, by trade, who worked on Recovery Act-related projects, rather than applying the full-time equivalents calculation outlined by the Office of Management and Budget (OMB) in its reporting guidance.¹⁵ Subsequent to October 10, 2009, HUD directed the housing authority to revise its employment data using the OMB calculation.

¹⁴Section 1605 of the Recovery Act requires that "none of the funds appropriated or otherwise made available by [the] Act may be used for a project for the construction, alteration, maintenance, or repair of a public building or a public work unless all of the iron, steel, and manufactured goods used in the project are produced in the United States." Federal agencies may, under certain circumstances, waive the Buy American requirement and the requirement is to be applied in a manner consistent with the United States obligations under international agreements. For more information, see HUD, *PIH Implementation Guidance for the Buy American Requirement of the American Recovery and Reinvestment Act of 2009 including Process for Applying Exceptions*, PIH-2009-31 (HA) (Washington, D.C.: August 21, 2009).

¹⁵See OMB, *Implementing Guidance for the Reports on Use of Funds Pursuant to the American Recovery and Reinvestment Act of 2009*, M-09-21 (Washington, D.C.: June 22, 2009).

Chicago Housing Authority Competitive Grants to Begin Soon

In addition to the Capital Fund formula grants, HUD awarded 32 competitive grants to housing agencies in Illinois, including 27 to the Chicago Housing Authority. One of these grants is for the redevelopment of the housing agency's Ogden North project. The \$9.9 million grant will be used in combination with other public and private financing to develop 60 new replacement public housing units and 77 non-public housing rental units, 123 for-sale homes, a community space, and a management and maintenance facility. The project is scheduled to begin in July 2010 and be completed in January 2012.

Illinois's Quality Review Process Helped Reduce Reporting Errors among State Agencies, but Some Local Entities Faced Reporting Challenges

The Illinois Office of the Governor requires state agencies to submit employment and other data to the Illinois Federal Reporting Test site for review and verification before they submit their data to federalreporting.gov.¹⁶ The Illinois Office of Internal Audit is responsible for reviewing and verifying these data submissions against baseline data the state collected from the agencies in September 2009.¹⁷ Once the Office of Internal Audit has verified, and the state's Recovery Act Executive Committee has approved agencies' data submissions, agencies upload their data onto federalreporting.gov. Local governments, such as the City of Chicago, and local entities, such as the Chicago Transit Authority and the Chicago Housing Authority, receive certain Recovery Act funds directly from the federal agencies. These direct recipients of funds do not submit their data to the state for review. Instead, these local governments and entities are responsible for assuring the quality and timeliness of their reports.

¹⁶Illinois is considered a decentralized reporting state because state agencies, not the state, are responsible for uploading their employment and other data into federalreporting.gov.

¹⁷According to state officials, state agencies uploaded baseline data from their award notices and grant agreements to the Illinois Federal Reporting Test site in September 2009. The state's review of agencies' data submissions includes verifying DUNS numbers, expenditures, and receipts. The state also performs a "reasonableness check" of agencies' employment data by comparing it to federally established employment reporting guidelines. When the state identified errors or discrepancies, it required the agencies to make appropriate corrections.

Illinois's Quality Review Process Helped Identify and Reduce Reporting Errors among State Agencies

Illinois required state agencies to submit information to the Illinois Federal Reporting Test Site for review and verification before submitting their data to federalreporting.gov. Most of the errors the state identified during its review of agencies' data were relatively minor. For example, the state found instances in which agencies had entered incorrect activity codes, ZIP codes, and activity descriptions. State officials said that after state agencies reported their data to federalreporting.gov, a few had to address questions from, or make small changes at the request of, their respective federal agencies, but for the most part, these questions and corrections were easily addressed.

Subsequent to the October 10, 2009, reporting date, state officials told us that the Illinois State Board of Education had received and reported incorrect employment data from a number of local education agencies (LEAs)—generally school districts. For example, some LEAs double-counted the number of positions created and retained with Recovery Act funds, attributing the positions to both State Fiscal Stabilization Fund education stabilization funds—which were distributed and expended in state fiscal year 2009—and State Fiscal Stabilization Fund government services funds—which were distributed and expended in state fiscal year 2010.¹⁸ Other LEAs reported zero positions. According to state officials, in these cases, LEAs received Recovery Act funds before finalizing staff lay offs and were unsure whether those jobs should count as jobs retained because of Recovery Act funds. State officials said that they had identified some of these errors through the review process, but were not aware of the full extent of the problem until after October 10, 2009. According to state officials, the Governor's Office and the Illinois State Board of Education have discussed these reporting issues with the U.S. Department of Education. They said that the Department of Education plans to issue additional reporting guidance before the January 2010 reporting cycle.

State officials said that they plan to continue reviewing agencies' data submissions during future reporting cycles. As it did with state agencies that reported during the October 2009 reporting cycle, the state plans to collect baseline data from, and conduct upload tests with, newly reporting state agencies prior to the January 2010 reporting cycle. In addition, state

¹⁸The State Fiscal Stabilization Fund is a one-time appropriation that the U.S. Department of Education awards to governors to, among other things, help stabilize state and local budgets. States must use education stabilization funds to restore state support for education and government services funds for public safety and other government services, which may include education.

officials said that they hope to build automated edit checks into the Illinois Federal Reporting Test site to speed the state's review of agencies' data and further reduce reporting errors. Finally, state officials said that the Governor recently created an independent Office of Accountability to work with state agencies to ensure the correct reporting of data to federalreporting.gov.

Some Local Entities We Spoke to Faced Reporting Challenges

We spoke to several local governments and entities, including three local governments, two transit agencies, and two public housing agencies and all told us that they had reported their employment data to federalreporting.gov by the October 10, 2009, deadline. However, as discussed in more detail earlier in this report, some faced challenges in verifying and reporting employment data. For example, the Chicago Transit Authority and Pace, the two local transit agencies with which we spoke, said that while the manufacturers that were fulfilling their bus orders sent them detailed data on the actual hours their employees worked, they could not verify the accuracy of the data they received. The Housing Authority of LaSalle County told us that it reported the number of people, by trade, who worked on Recovery Act-related projects. The housing agency did not apply the full-time equivalents calculation outlined by OMB in its reporting guidance.¹⁹ Subsequent to October 10, 2009, HUD directed the housing authority to revise its employment data using the OMB calculation.

Recovery Act Funds Aid Illinois's State Budget and Help Local Governments Create and Expand Programs

The Director of the Illinois OMB said that Recovery Act funds continued to assist the state in funding its education, infrastructure, and Medicaid programs. Recovery Act funds—including \$1 billion from the State Fiscal Stabilization Fund and \$1.4 billion made available as a result of increased federal assistance to Medicaid—are expected to allow the state to provide an additional \$2.4 billion in services this fiscal year. The state plans to reduce spending and seek new revenue sources—including tax increases and video gaming terminals—in anticipation of an end to Recovery Act assistance after fiscal year 2010. The Illinois OMB will present a formal strategy for continuing state operations without Recovery Act funds to the Governor in the spring of 2010.

¹⁹See OMB, *Implementing Guidance*, M-09-21.

Local Governments Create and Expand Programs with Recovery Act Funds

We visited three cities in Illinois—the Chicago, Joliet, and Springfield—to review their use of Recovery Act funds. Table 2 provides recent demographic information for these cities.

Table 2: Demographic Data for the Cities of Chicago, Joliet, and Springfield, Illinois

Local government	Population	Locality type	Unemployment rate
City of Chicago	2,853,114	City	11.3%
City of Joliet	146,125	City	12.2%
City of Springfield	117,352	City	8.2%

Source: U.S. Census Bureau and U.S. Department of Labor.

Note: Population data are from July 1, 2008. Unemployment rates are preliminary estimates for September 2009 and have not been seasonally adjusted. Rates are a percentage of the labor force. Estimates are subject to revision.

The cities generally used the Recovery Act grants to create or expand a variety of programs and services that in many cases would otherwise have remained unfunded. City officials noted that they generally did not use Recovery Act grants for programs or personnel costs that would result in additional city funding for long-term obligations.

City of Chicago. City of Chicago officials reported that the city received 31 Recovery Act grants as of October 22, 2009, totaling over \$1 billion. City officials included funds that were not awarded directly to the city in this \$1 billion total, including \$240.2 million in grants awarded to the Chicago Transit Authority, a \$143.9 million grant awarded to the Chicago Housing Authority, and \$293.6 million in State Fiscal Stabilization Fund monies for Chicago Public Schools.²⁰ Table 3 describes the six largest Recovery Act grants awarded directly to the City of Chicago. In addition to these grants, city officials said that they have applied for three additional grants totaling \$107 million.²¹

²⁰The Recovery Act funds for transportation, housing, and education programs mentioned in this appendix were awarded directly to the agencies responsible for administering these programs, not to the city.

²¹Pending grants include \$105.9 million from the National Telecommunications and Information Administration’s Broadband Technologies Opportunity program, \$1.1 million from the U.S. Department of Agriculture Forest Service’s Wildland Fire Management program, and \$97,038 from the U.S. Department of Justice’s Services, Training, Officers, Prosecutors (STOP) Violence Against Women Formula Grant program.

Table 3: Largest Direct Sources of Recovery Act Funding for the City of Chicago

Agency	Grant	Examples of uses of funds	Amount
U.S. Department of Housing and Urban Development	Homelessness Prevention and Rapid Re-Housing Program	Homelessness prevention	\$34.4 million
U.S. Department of Justice	Edward Byrne Memorial Justice Assistance Grant	Overtime pay for police officers; new police cars	\$28.7 million
U.S. Department of Energy	Energy Efficiency and Conservation Block Grant	Energy efficiency upgrades in city buildings and facilities, including new boiler units and solar panels	\$27.6 million
U.S. Department of Housing and Urban Development	Community Development Block Grant	Foreclosure prevention; homebuyer counseling; housing rehabilitation; job training for formerly incarcerated individuals	\$22.5 million
U.S. Department of Justice	COPS Hiring Recovery Program	To hire 50 police officers	\$13.3 million
Federal Aviation Administration	Airport Improvement Program	Replace airport runway	\$12.3 million

Source: City of Chicago.

Note: An agreement between the City of Chicago and Cook County reserved \$7.2 million of the Edward Byrne Memorial Justice Assistance Grant for Cook County.

City of Joliet. City of Joliet officials said that the city had been awarded \$3.8 million in Recovery Act funds as of October 27, 2009. This total included a \$2.0 million grant for roadway resurfacing through the Illinois Department of Transportation that was not awarded directly to the city. In addition to those funds, the Joliet Housing Authority received \$2.5 million from the U.S. Department of Housing and Urban Development.²² Table 4 lists the \$1.9 million in grants awarded directly to the city. As of November 13, 2009, the city awaited decisions on its applications for a \$55 million Transportation Investment Generating Economic Recovery (TIGER) grant for a new transportation center through the U.S. Department of Transportation and a \$1.3 million Energy Efficiency and Conservation Block Grant through the U.S. Department of Energy.

²²LEAs serving the city also received State Fiscal Stabilization Fund monies; however, city officials said that the exact amount the city received was difficult to determine because the LEAs serving Joliet also serve other cities.

Table 4: Direct Sources of Recovery Act Funding for the City of Joliet

Agency	Grant	Examples of uses of funds	Amount
U.S. Department of Homeland Security	Assistance to Firefighters Fire Station Construction Grant	Construction of a fire station	\$1.2 million
U.S. Department of Justice	Edward Byrne Memorial Justice Assistance Grant	To purchase law enforcement equipment, including cameras	\$459,820
U.S. Department of Housing and Urban Development	Community Development Block Grant	Road reconstruction; down payment assistance for home buyers	\$249,000

Source: City of Joliet.

Note: An agreement between the City of Joliet and Will County reserved \$229,910 of the Edward Byrne Memorial Justice Assistance Grant for Will County.

City of Springfield. City of Springfield officials said that the city had been awarded \$5.3 million in Recovery Act funds. This total included a \$2.4 million grant for road work through the Illinois Department of Transportation that was not awarded directly to the city. The Springfield Housing Authority received \$2.0 million from the U.S. Department of Housing and Urban Development and \$8.6 million in State Fiscal Stabilization Fund monies went to the Springfield School District. The \$2.9 million awarded directly to Springfield is summarized in table 5. As of November 12, 2009, the city did not have any additional direct grants pending.

Table 5: Direct Sources of Recovery Act Funding for the City of Springfield

Agency	Grant	Examples of uses of funds	Amount
U.S. Department of Justice	Edward Byrne Memorial Justice Assistance Grant	To purchase law enforcement equipment, including cameras	\$1.7 million
U.S. Department of Energy	Energy Efficiency and Conservation Block Grant	Rebates for energy efficient appliances	\$1.2 million
U.S. Department of Housing and Urban Development	Homelessness Prevention and Rapid Re-Housing Program	Homelessness assistance	\$517,000
U.S. Department of Housing and Urban Development	Community Development Block Grant	Repaving streets and sidewalks	\$337,000

Source: City of Springfield.

Note: An agreement between the City of Springfield and Sangamon County reserved \$481,129 of the Edward Byrne Memorial Justice Assistance Grant for Sangamon County to retain police officers.

State Comments on This Summary

We provided the Office of the Governor of Illinois with a draft of this appendix on November 18, 2009. The Deputy Chief of Staff responded for the Governor on November 19, 2009. In general, the state concurred with our statements and observations. The official also provided us with technical comments that we incorporated, as appropriate.

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