



Legislative Budget Board
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MEMORANDUM

June 29, 2009

TO: State Agency Heads/Executive Directors
Chancellors and Presidents of Institutions of Higher Education

The American Recovery and Reinvestment Act (ARRA) provides an estimated \$14.1 billion in Federal Funds through the state budget process to state agencies and institutions of higher education across fiscal years 2009-2011. As is the case for all states, receipt of these funds is unprecedented and ensuring appropriate use and accounting of these funds is critically important.

Article XII of the Senate Bill 1 Conference Committee report contains provisions related to ARRA. There are a number of special provisions in Article XII that provide guidance and direction on the use of funds. Some of those provisions are general and apply to all agencies and institutions receiving ARRA, and others are specific to certain types of funds. As is the case with any new provision each biennium, I encourage you to read these new provisions with care.

Section 5 in Article XII (page XII-8) contains reporting requirements to which all agencies and institutions of higher education are subject. A copy of the text is attached. Please note the following:

- Each agency and institution receiving ARRA must submit a plan to the Legislative Budget Board and the Governor detailing intended use of the funds. That initial report is due September 30, 2009. We will not be providing a template or placing other specific format guidelines on that initial report.
- Quarterly expenditure reports are due starting on December 31, 2009. We will develop a reporting template for those quarterly reports.
- As noted above, the Section 5 requirements may not be exhaustive depending on the type of ARRA funds your agency is appropriated.

Our offices will provide additional guidance as circumstances warrant. Please do not hesitate to contact your assigned budget analyst if you have any questions about these provisions and associated requirements.

Handwritten signature of John O'Brien in black ink.

John O'Brien, Director
Legislative Budget Board

Handwritten signature of Mary Katherine Stout in black ink.

Mary Katherine Stout, Director
Governor's Office of Budget, Planning
and Policy

S.B. 1, Article XII, Sec. 5. Reporting Requirements.

(a) Each state agency and institution of higher education receiving appropriations under this article shall develop and submit a plan to the Legislative Budget Board and the Governor providing details on the entity's intended use of their appropriations from the American Recovery and Reinvestment Act (ARRA). The plan shall include a summary of any ARRA funds spent, allocated or encumbered prior to August 31, 2009. The report shall be delivered by September 30, 2009. If the Legislative Budget Board and the Governor do not issue a written disapproval within fifteen business days of receiving the agency's notification, the agency may expend the funds.

(b) Each of the agencies and institutions receiving appropriations under this Article shall submit quarterly reports on expenditure of funds appropriated from the American Recovery and Reinvestment Act Fund. The report shall be in the format prescribed by the Legislative Budget Board, including the following;

- (1) the estimated number of jobs to be created or retained; and
- (2) the number of full-time equivalent positions.

Reports shall be submitted no later than the following dates each year: December 31, March 31, June 30, and September 30. The reports shall be submitted to the Governor, Legislative Budget Board, State Auditor's Office, and Comptroller of Public Accounts.

(c) Each state agency or institution that receives funds as a result of the American Recovery and Reinvestment Act and that provides reports to the Legislative Budget Board and federal agencies regarding funding received under ARRA shall post on the agency's or institution's internet website, the agency's or institution's ARRA report and provide a link to the State Auditor's Office fraud hotline.