

ARRA Update

February 12, 2010

FROM THE DIRECTOR

With the arrival of 2010, I wish you great success with your continued execution of the American Recovery and Reinvestment Act (ARRA) of 2009. As Governor Brewer's Office of Economic Recovery (OER) continues to focus on its mission to maximize the benefits of the Recovery Act, we will look to you—our state partners—for Arizona's best ARRA implementation practices. Please enjoy this first edition of the ARRA Update, OER's new bi-weekly newsletter. If you have any feedback or suggestions please e-mail them to me at azrecovery@az.gov.

JAMES J. APPERSON

COMPLIANCE SPOTLIGHT

Sub-Recipient Monitoring

All funds appropriated under the American Recovery and Reinvestment Act (ARRA) of 2009 must be spent with an unprecedented level of transparency and accountability. State Agencies have important oversight responsibilities regarding the implementation of ARRA and must monitor grant and sub-recipient supported activities to ensure compliance with applicable federal requirements. If a state or its sub-recipients fail to comply with requirements governing these funds, the federal grantor agencies may, consistent with applicable administrative procedures, take one or more enforcement actions, including withholding or suspending, in whole or part, funds awarded under the ARRA programs, or recovering misspent funds. State Agencies who receive ARRA funds are strongly encouraged to reach out to their respective federal grantor agency to get the most up-to-date guidance on sub-recipient monitoring. Additionally, State Agencies are reminded to update their local policies and procedures to ensure that they are appropriate for the increased federal scrutiny and oversight inherent with ARRA funding. The Office of Economic Recovery is available to assist any State Agency that feels it might have trouble meeting its ARRA related sub-recipient monitoring responsibilities.

1512 REPORTING

4th Quarter Results

On January 15, 2010, OER and 21 other State Agencies successfully completed its 2nd quarterly filing of ARRA Section 1512 information to FederalReporting.gov. And the results are in: (1) 431 ARRA grants were reported on; (2) Financial data was extracted from 7 financial data systems; (3) 4,886 new or retained jobs were reported; (4) State Agencies reported \$2.075 billion in ARRA grant awards; (5) To date, State Agencies have drawn down \$829 million in ARRA funds; and (6) To date, State Agencies have expended \$804 million in ARRA funds. The next quarterly report is due on April 10th for the 1st quarter of 2010 with results published the first week of May.

Stimulus 360 Helpful Hint

The ARRA Section 1512 reporting requirements mandate that recipients of ARRA funds report vendor transactions at both the prime- and sub-recipient levels. The current state accounting solutions do not house sub-recipient vendor transactions so State Agencies must ensure that they have a strategy in place to collect this information quarterly from their sub-recipients. OER, in partnership with GAO and ISD, have developed an Excel-based data template to help prime-recipients collect this information from their subs. If you have not yet implemented this, or an alternate strategy, to collect the vendor transactions of your sub-recipients please contact Aaron Sandeen or Ryan Sommers at goer_reporting@az.gov.

FOCUS ON THE RECOVERY

On February 11, 2010, Governor Jan Brewer announced the awarding of \$2 million of the State Fiscal Stabilization Fund (SFSF) Government Services Fund, granted through the American Recovery and Reinvestment Act (ARRA) of 2009, to national teacher training organization Teach For America (TFA). Governor Brewer has chosen to allocate some of the discretionary funds to innovative education programs, as listed in the SFSF Phase I and Phase II applications. TFA's program ensures schools are provided with highly qualified individuals as teachers and partners with districts and schools most in need of aid. Using these funds, TFA will continue increasing the effectiveness of its teachers who are working to close the achievement gap for more than 20,000 low-income students in pre-K through 12th grade, and bolster its efforts to reach students in high-need subject areas such as math, science, and special education.

Recovery Today is a bi-weekly e-publication of the Office of Economic Recovery. For comments or questions regarding this issue, contact OER at: azrecovery@az.gov.