

September 28, 2009

Dear Stimulus Fund Recipients,

To date, the federal government has awarded nearly \$30 billion in American Recovery and Reinvestment Act (ARRA) funds to entities and organizations in California. ARRA is a multifaceted bill whose implementation depends on many entities at the local, regional and state levels. Every dollar of ARRA funding spent in California, whether awarded directly to your organization from the federal government or administered through the State of California, comes with very specific recipient oversight and accountability responsibility. State government entities, local governments, nonprofits and any other ARRA funding recipients are required to report to the federal government on the status of their ARRA-funded projects periodically, and the October 10 deadline for meeting the first round of federal reporting requirements is rapidly approaching.

While I am pleased that the federal government has awarded nearly \$30 billion in ARRA funding to entities and organizations in California, this sizable amount of funding creates a challenge in terms of the quantity of data that must be collected to meet federal reporting requirements. I understand the difficulty each of you faces because of the rigorous reporting requirements mandated under Section 1512 of the Recovery Act. However, I cannot stress enough that failing to report or reporting poor quality data to the federal government could seriously jeopardize future ARRA funding coming into California.

As an ARRA funding recipient, it is important you understand your federal reporting requirements and where you need to complete your reporting:

- If you are receiving ARRA money directly from a federal agency (or will receive it by September 30), you may be required by law to report directly to the federal government – not to any state agency. You must register at <http://www.federalreporting.gov> as soon as possible. Instructions and additional information for registering are available at that Web site through the “FAQ” link at the top of the page.
- If you are receiving ARRA money from a state agency (or you will receive it by September 30), you are required to report to that state agency. In communicating with your state agency, ensure that you know what information you are required to report, when it is needed and in what format the information must be provided. The California Recovery Task Force is collecting data from state departments and its sub-recipients into one system, which will then be submitted to the federal government.

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- Pay particular attention when reporting the number of jobs created and saved. Congress requires the reporting of the *direct* jobs created and saved, and it is looking for an auditable, verifiable number. While federal ARRA job projections also include the number of jobs that will be created *indirectly* through ARRA, federal reporting does not include such information.

Depending on how many ARRA funding awards you have received, you may have obligations to report some funds directly to the federal government and some to the state. I encourage you to register as necessary and make sure you meet all federal reporting deadlines.

I understand compliance and participation in ARRA is complex – and that is one reason I have created the California Recovery Task Force. If you have any questions about whether you need to report to the state please contact the Task Force at (916) 322-4688 or at www.recovery.ca.gov.

ARRA presents a unique opportunity for all of us. I am extremely grateful for all the work you have done to see that funds coming to your local communities are spent quickly, effectively and responsibly – and I thank for all you are doing to help move California down the road to economic recovery.

Sincerely,

A handwritten signature in black ink, appearing to read "Arnold Schwarzenegger". The signature is fluid and cursive, with a long horizontal stroke at the end.

Arnold Schwarzenegger

/la

cc: The Vice President