

**CALIFORNIA COMMUNITY COLLEGES  
CHANCELLOR'S OFFICE**

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**Date:** September 20, 2010

**To:** Chief Business Officers

**From:** Erik Skinner, Executive Vice Chancellor - Programs

**Subject:** 2010-11 \$5 Million American Recovery and Reinvestment Act (ARRA) Funding Summary & ARRA Guidelines for Districts-- Expenditure, and Reporting Requirements

**ARRA Funding**

Assembly Bill 185 (Chapter 221 Statutes 2010) provides community college districts with \$5 million in one-time ARRA funding. These monies will be allocated to districts by the end of this month upon completion of an interagency agreement between with the State Chancellor's Office and the Governor's Office.

The Legislature's intent in providing these one-time funds was to allow districts to partially mitigate the deep cuts categorical programs experienced in the state budget in 2009-10 and continued into the current fiscal year. Pursuant to legislative intent, the funding formula used to determine each district's ARRA allocation is based on the cuts the district experienced in state funding for categorical programs in 2009-10 (The attached spreadsheet shows each district's allocation for this round of funding). However, under federal law these funds are general purpose and are not required to be spent on categorical programs. These funds are to be treated for expenditure and reporting purposes identical to the \$35 million in ARRA funds provided to college districts in 2009-10. Those guidelines are explained in more detail below.

**Key Date:** Expenditure Report Due to Chancellor's Office October 29, 2010

**ARRA Guidelines for Districts-- Expenditure and Reporting Requirements****EXPENDITURE REQUIREMENTS**

Districts receiving ARRA funds will have three days after receipt of the funds to fully expend their ARRA dollars. This three-day expenditure requirement is described in the guidance provided by the Department of Finance in Recovery Act Bulletin number 09-10, which states:

“Any funds received by the state under the American Recovery and Reinvestment Act but disbursed through preexisting programs will be subject to the three-day drawdown rule.” Districts may meet this expenditure requirement by using the ARRA funds to pay for prior expenditures already incurred during the fiscal year via an “accounting” transfer of funds.

**Action:** In order to assist districts in meeting this three-day federal expenditure requirement, the Chancellor’s Office will send an email to districts letting them know when the ARRA funds have been disbursed by the State Controller’s Office to district accounts. We anticipate that this disbursement will occur by the end of this month.

## REPORTING REQUIREMENTS

Attached is the district reporting form, called the California ARRA Accountability Tool, which each district will need to be complete. This is a standardized reporting form that each California public education entity receiving ARRA state stabilization funds (CSU, UC, and K-12 districts) is required to submit. There are several items to note regarding the reporting form:

1. While these funds are considered “general purpose” funds and unrestricted for state reporting purposes, there are federal guidelines for the expenditure of these funds. The attached link takes you to a federal expenditure guidance memo which shows the appropriate use of these ARRA funds (see page 4): <http://www2.ed.gov/programs/statestabilization/auditor-guidance.pdf>. To avoid reporting complications, we strongly encourage districts to use their ARRA allocations to pay personnel costs.
2. Districts only need to report expenditure information one time. Once your district has fully expended the ARRA funds and reported these expenditures, no further reporting is required. The only reason a district would need to report multiple times is if it failed to expend all the funds within the reporting period. Given the three-day expenditure rule, this should not occur.
3. Districts are to report information in only Column B of the spreadsheet.
4. We have pre-populated as much of the data on the spreadsheet as we could and have indicated if information is not applicable.
5. Please read the description, example, and comment sections that explain how each row on the report should be completed.
6. Districts must provide a Data Universal Numbering System (DUNS), which is a nine-digit identification number available through Dun & Bradstreet. If your district already receives federal funds, you likely already have a DUNS number. If your district does not have a DUNS number, you’ll need to apply for one on-line at the following address <http://fedgov.dnb.com/webform> or call by phone at 866-705-5711.
7. Districts must have an active Central Contractor Registration (CCR) number on file with the Federal Government; CCR is the primary registrant database for the U.S. Federal

Government. Without an active CCR file, the Chancellor's Office will be unable to input your ARRA expenditure data into the centralized state reporting system. Therefore, check the following website to determine if your district is actively registered with CCR and, if necessary, complete the registration process:  
<https://www.bpn.gov/ccr/default.aspx>

8. Call or write Chris Yatooma at 916-324-2564 or [cyatooma@cccco.edu](mailto:cyatooma@cccco.edu) with any questions.

**Action:** Complete the attached form and return to the Chancellor's Office via email no later than October 29, 2010. The submitted form is not required to be signed. Please send the completed form to [cyatooma@cccco.edu](mailto:cyatooma@cccco.edu).

Call or write Chris Yatooma at 916-324-2564 or [cyatooma@cccco.edu](mailto:cyatooma@cccco.edu) with any questions.

Attachments:

*California ARRA and Accountability Tool  
District ARRA Funds - \$5M*