

MEMORANDUM

To: District Superintendents, Special Education Directors, Business Administrators, Charter School Directors, and Utah Schools for the Deaf and Blind

FROM: Brenda Hales, Associate Superintendent, USOE
Nan Gray, State Director, Special Education

DATE: May 1, 2009

SUBJECT: American Recovery and Reinvestment Act of 2009 (ARRA) Allocations
1) I.D.E.A. , Part B (611) Special Education Formula Flow Through
2) I.D.E.A., Part B (619) Preschool Special Education Formula Flow Through

The American Recovery and Reinvestment Act of 2009 (AARA) appropriates significant new funding for programs under Part B of the Individuals with Disabilities Education and Improvement Act (IDEA). Part B of the IDEA provides funds to state educational agencies and local educational agencies to help them ensure that children with disabilities ages 3 through 21 have access to a free appropriate public education to meet each child's unique needs and prepares him or her for further education, employment and independent living.

The IDEA recovery funds under AARA will provide an unprecedented opportunity for States and LEAs to implement innovative strategies to improve teaching and learning results for students with disabilities and help close the achievement gap. IDEA recovery funds have been made available to accommodate the excess costs of providing special education and related services to students with disabilities toward this end. ARRA funds are to be focused on short-term investments that have the potential for long term benefits.

Awarding of Funds Under ARRA

The Utah State Office of Education has been notified by the Office of Special Education Programs (OSEP) that they will receive \$105,540,856 under Idea Section 611 and \$3,694,292 under Section 619 (preschool) to be targeted for special education. Each District and Charter School has been awarded funds from the American Recovery and Reinvestment Act of 2009. Fifty percent (50%) of those amounts will be available on May 15, 2009. The remaining fifty percent (50%) will be made available sometime between July 1 and October 1, 2009. **The enclosed tables show the total amount your district or charter school has been awarded. The two tables show the Part B (611 Special Education Formula Flow Through) for all students with disabilities, and Part B (619) Preschool Special Education Formula Flow Through) for those with Preschool programs or students who were still 5 years of age as of the December 1, 2008 child count. 50% of the listed amounts will be available May 15, 2009 on a reimbursable basis. IDEA recovery funds must be used consistent with the current IDEA Part B statutory and regulatory requirements.**

Your eligibility for the first 50% of these funds will be based on the eligibility established by you in your IDEA LEA Grant Application for the current year; no additional application is needed. The USOE has not

yet received guidance on what documentation will be required for eligibility for the receipt of the second 50%. As soon as the USOE receives that guidance we will notify you. The funding you receive under the ARRA should be obligated during the school years 2008-2009, 2009-2010, and 2010-2011. All ARRA funds must be spent by September 30, 2011 and reimbursements requested by October 25, 2011.

Use of ARRA Funds

ARRA funds may be used for any purpose authorized by IDEA, PART B and its implementing regulations. This means that these funds must be used consistently with IDEA Part B as well as applicable General Education Provisions Act (GEPA) and Education Department General Administrative Regulation (EDGAR) regulations. However, given the temporary nature of this funding, OSEP is strongly encouraging LEAs to use these funds for “short –term investments that have the potential for long-term benefits.”

Maintenance of Effort Requirements

As stated previously, these funds must be used consistently with Part B of the IDEA which means that they may only be used for the excess costs of providing special education and related services to children with disabilities. As a result, the maintenance of effort (MOE) requirements are applicable to these funds and may not be waived. However pursuant to Section 613 (a)(2)(C) of IDEA and 34 CFR 300.205 of its regulations, an LEA may reduce the level of state and local expenditures by up to 50% of the increase in IDEA part B funding. If an LEA takes advantage of this provision it must use the freed up State and local funding for activities that could be supported under the Elementary and Secondary Education Act. The required MOE for future years is reduced by the amount of the reduction of the State and local funding unless the LEA increases the amount of State and local expenditures on its own. **For additional information, please refer to a TA paper on MOE that is posted on the USOE Special Education Web Site.**

Recordkeeping and Reporting Requirement

LEAs will be responsible for the ensuring that ARRA funding is used in accordance with the law. As a result, ARRA requires each LEA to separately account for, and report on, how these funds are spent and the results of those expenditures. When you receive these funds, we anticipate you will be expected to report at least on a quarterly basis a detailed list of all projects or activities for which ARRA funds were expended or obligated, including the name of the project or activity, a description of the project or activity, an evaluation of the completion status of the project or activity, an estimate of the number of jobs created and the number of jobs retained by the project, and the results of all projects for students with disabilities. Exactly how this will be accomplished will be forthcoming as more guidance is received from United States Department of Education.

New Budget Numbers for Accounting Purposes

Please note that new file numbers for reimbursement will be implemented at the USOE for the purpose tracking ARRA funds:

Reference File # 8E-19-9 for Special Education 611 ARRA Flow through funds

Reference File # 8E-52-9 for Special Education Preschool ARRA Funds

Please make sure that if you request reimbursement before July 1, 2009, you use indirect cost rates for that year. After July 1, 2009 please use the attached indirect cost rates.

Should you have any questions with respect to ARRA funds, please contact either Brenda Hales or Nan Gray by phone or email.

Enclosures (2)