

Guidance

American Recovery and Reinvestment Act (ARRA)

IDEA Recovery Funds

Allocation/Application

DPI will allocate 50% of the IDEA 611 and 619 recovery funds April 29, 2009 to all LEAs, including charter schools and state operated programs (SOP) that have a current VI-B approved grant. LEAs do not need to complete an application for the April recovery funds. An application will be required for LEAs to receive the October recovery funds.

There are two new Program Report Codes (PRC) for recovery fund allocations. The Part B, section 611 recovery fund PRC is 144 and the Part B, section 619 recovery fund PRC is 145. This will assist with tracking the recovery fund expenditures.

LEAs have received their ARRA-IDEA planning allotment(s). Each planning allotment (PRC 144 and PRC 145) is the **TOTAL** amount of recovery funds that will be received. Traditional LEAs must complete their budgets on BUD. Charter schools and SOPs must complete their budget on documents that will be sent under separate cover. The email will provide the directions for submission.

LEAs must obligate all ARRA-IDEA funds by September 30, 2011.

Costs are allowable beginning February 17, 2009, the effective date of the grants.

Use of Funds

All ARRA-IDEA funds must be used consistently with the current IDEA, Part B statutory and regulatory requirements. An LEA must use IDEA recovery funds only for the excess costs of providing special education and related services to children with disabilities, except where IDEA specifically provides otherwise.

The current *NC Policies Governing Services for Children with Disabilities* and LEA Assurances in the 2008-09 IDEA Part B (611) and (619) Grants apply to the usage of ARRA funds.

Transparency, Accountability, and Reporting

ARRA requires that recipients of these funds separately account for, and report on, how these funds are spent. LEAs need to maintain accurate documentation of all ARRA expenditures to ensure accurate, complete, and reliable data.

The SEA must provide oversight and monitor IDEA subgrant activities to ensure compliance with all applicable Federal requirements.

Coordinated Early Intervening Services (CEIS)

An LEA with significant disproportionality must use 15 percent of the LEA's total amount of IDEA Part B funds for CEIS. The 15 percent is calculated on the total of the 611 regular award, 611 recovery funds, 619 regular award and 619 recovery funds. Although the calculation is based on the total of the four funds, the CEIS funds will be removed from an LEA's PRC 60 funds and placed in PRC 70.

The process for permissive use of up to 15 percent of the LEAs' total IDEA allocation will be sent in a separate memo.

Maintenance of Effort (MOE)

Under IDEA, section 613(a)(2)(C), if an LEA's subgrant allocation exceeds the amount that the LEA received the previous fiscal year, the LEA may reduce the level of local, or state and local, expenditures otherwise required by the LEA MOE requirement by up to 50 percent of the increase in the LEA's subgrant allocation*. The LEA must spend the "freed-up" local, or state and local, funds on activities authorized under the Elementary and Secondary Education Act (ESEA) of 1965. The State Education Agency (SEA) will collect and report information on the use of the "freed-up" funds.

*An LEA's FY 2008 IDEA allocation is the regular Part B, section 611 award (PRC 60). The FY 2009 IDEA allocation is the regular Part B, section 611 award (PRC 60) and the Part B, section 611 (PRC 144) recovery funds. Calculations of the FY 2008 and FY 2009 allocations should be made prior to a possible CEIS reduction of PRC 60 funds.

No Reduction of MOE

Under IDEA section 616(f), if an SEA determines that an LEA is not meeting the requirements of Part B, including meeting targets in the state's performance plan, the SEA must prohibit the LEA from reducing its MOE under IDEA section 613 (a)(2)(C) for any fiscal year. An LEA's determination under section 616 must be "Meets Requirements" in order to have flexibility with MOE reduction. Determinations based on 07-08 data will follow under separate memo.

An LEA that is required to use 15 percent of its IDEA Part B allocation for CEIS, will not be able to reduce local MOE under IDEA section 613(a)(2)(C).

Parentally-Placed Private School Students

To calculate the proportionate share under IDEA section 612(a)(10)(A)(i)(I), an LEA must add its regular 611 award with its 611 recovery funds and apply the formula outlined in 34 CFR §300.133 to the total amount.

Resources

www.ed.gov/policy/gen/leg/recovery/factsheet/idea.html

www.ed.gov/policy/gen/leg/recovery/guidance/idea-b.pdf

www.ed.gov/policy/gen/leg/recovery/guidance/idea-guidance-mod.pdf