

American Recovery and Reinvestment Act of 2009: IDEA Recovery Funds for Services to Children and Youths with Disabilities

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Overview of *ARRA*

Principles:

Spend funds quickly to save and create jobs. *ARRA* funds will be distributed quickly to states, LEAs and other entities in order to avert layoffs and create jobs. States and LEAs in turn are urged to move rapidly to develop plans for using funds, consistent with the law's reporting and accountability requirements, and to promptly begin spending funds to help drive the nation's economic recovery.

Invest one-time *ARRA* funds thoughtfully to minimize the "funding cliff." *ARRA* represents a historic infusion of funds that is expected to be temporary. Depending on the program, these funds are available for only two to three years. These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.

Awarding *IDEA* Part B Grants to States and Preschool Grants Recovery Funds

The Department of Education plans to award 50 percent of the *IDEA*, Part B Grants to States and Preschool Grants recovery funds to SEAs by the end of March 2009. The other 50 percent will be awarded by Oct. 1, 2009. These awards will be in addition to the regular Fiscal Year (FY) 2009 Part B Grants to States and Preschool Grants awards that will be made on July 1 (Grants to States and Preschool Grants) and Oct. 1, 2009 (Grants to States only). Together, these grant awards will constitute a state's total FY 2009 Part B Grants to States and Preschool Grants allocations.

The additional *IDEA* funds provided under the *ARRA* do not increase the amount a state would otherwise be able to reserve for state administration or other state-level activities under its regular grants to states FY 2009 award. LEA eligibility for the first 50 percent of the *IDEA* recovery funds is based on eligibility established by the LEA for FY 2008 funds.

In accordance with the goals of the *ARRA*, a state should obligate *IDEA* recovery funds to LEAs expeditiously. A state should make the Part B Grants to States and Preschool Grants recovery funds that it receives in March available to LEAs by the end of April 2009.

Similarly, an LEA should use the *IDEA* recovery funds expeditiously. An LEA should obligate the majority of these funds during school years 2008–09 and

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2009–10 and the remainder during school year 2010–11. States may begin obligating *IDEA*, Part B recovery funds immediately upon the effective date of the grant. All *IDEA* recovery funds must be obligated by Sept. 30, 2011.

Uses of *IDEA*, Part B Recovery Funds

All *IDEA* recovery funds must be used consistently with the current *IDEA*, Part B statutory and regulatory requirements and applicable requirements in the *General Education Provisions Act (GEPA)* and the Education Department General Administrative Regulations (EDGAR). 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 *IDEA* recovery funds constitute a large one-time increment in *IDEA*, Part B funding that offers states and LEAs a unique opportunity to improve teaching and learning and results for children with disabilities. Generally, funds should be used for short-term investments that have the potential for long-term benefits, rather than for expenditures the LEAs may not be able to sustain once the recovery funds are expended. Some possible uses of these limited-term *IDEA* recovery funds that are allowable under *IDEA* and aligned with the core reform goals for which states must provide assurances under SFSF include:

Obtain state-of-the-art assistive technology devices and provide training in their use to enhance access to the general curriculum for students with disabilities.

Provide intensive district-wide professional development for special education and regular education teachers that focuses on scaling-up, through replication, proven and innovative evidence-based school-wide strategies in reading, math, writing and science, and positive behavioral supports to improve outcomes for students with disabilities.

Develop or expand the capacity to collect and use data to improve teaching and learning.

Expand the availability and range of inclusive placement options for preschoolers with disabilities by developing the capacity of public and private preschool programs to serve these children.

Hire transition coordinators to work with employers in the community to develop job placements for youths with disabilities.

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IDEA, Part B Fiscal Issues

An LEA may be able to reduce the level of state and local expenditures otherwise required by the *IDEA* LEA maintenance of effort (MOE) requirements. Generally, under section 613(a)(2)(C), in any fiscal year that an LEA's *IDEA* allocation exceeds the amount the LEA received in the previous year, under certain circumstances, the LEA may reduce the level of state and local expenditures by up to 50 percent of the amount of the increase, as long as the LEA uses those freed-up local funds for activities that could be supported under the ESEA. If an LEA takes advantage of this provision, the required MOE for future years is reduced consistent with the reduction it took, unless the LEA increases the amount of its state and local expenditures on its own. SEAs should encourage LEAs that can and do take advantage of this flexibility to focus the freed-up local funds on one-time expenditures that will help the state make progress on the goals in the SFSF program, such as improving the equitable distribution of effective teachers and the quality of assessments. SEAs will be expected to collect and report information on the use of the freed-up funds.

Alternatively, an LEA may (or in some cases must) use up to 15 percent of its total *IDEA*, Part B Grants to States and Preschool Grants for early intervention services for children in grades K through 12 who are not currently identified as children with disabilities, but who need additional academic and behavioral support to succeed in a general education environment. However, an LEA may use only up to 15 percent of its allocation minus any amount (on a dollar-for-dollar basis) by which the LEA reduced its required state and local expenditures under section 613(a)(2)(C).

State-level MOE may be waived under Part B of the *IDEA* by the Secretary of Education on a state-by-state basis, for a single year at a time, for exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of a state. LEA-level MOE may not be waived.

With prior approval from the Secretary of Education, a state or LEA may count SFSF (but not *IDEA* recovery funds) under the *ARRA* that are used for special education and related services as non-federal funds for purposes of determining whether the state or LEA has met the *IDEA*, Part B MOE requirements. (See separate fact sheet on SFSF for more information.)