I wanted to send this special message to you today because we have some new information to share on the American Recovery and Reinvestment Act of 2009 (ARRA).

The U.S. Department of Education has provided additional guidance and fact sheets for implementation that you and your staffs will want to review. We have posted to our website http://www.isbe.net/arra/default.htm new links to information pertaining to:

- Title I, Part A (earlier fact sheet and new guidance)
- Individuals with Disabilities Education Act, Part B (Flow-through and Preschool) (new fact sheet and new guidance)
- State Fiscal Stabilization Funds (new application to be completed by the State and submitted shortly)

Specific local education agency (LEA) allocations for Title I, Part A, IDEA, Part B Flow Through and IDEA Part B Preschool will be determined in April and made available for application and obligation by LEAs as early as practical.

In addition, we are sending you additional information about ARRA. It includes an overview, brief information on the State Fiscal Stabilization Funds, timelines, background information on IDEA and Title I, Part A, and two letters of intent for FY09 to show if there is local intent to apply for IDEA and/or for Title I, Part A.

**Overview of ARRA Funds and Use**

The federal stimulus package could provide up to $3 billion in education funding for Illinois. The intended purpose of all of the ARRA funds is to save and create jobs, as well as improve education through four key education reform areas:

- Making progress toward rigorous college- and career-ready standards and high quality assessments that are valid and reliable for all students, including English Language learners and students with disabilities;
- Establishing Pre-K to college and career data systems that track progress and foster continuous improvement;
- Making improvements in teacher effectiveness and the equitable distribution of qualified teachers for all students, particularly students who are most in need; and
- Providing intensive support and effective interventions for the lowest-performing schools.
Funds for Title I and IDEA will be available to states from early April. The application for SFSF funds was available as of April 1, 2009. Half of the funds are to be released to states in the spring, with the other half to be released in October. Some of the specific funds do not flow until July, such as Title II, Part D for education technology or Title I funds for school improvement.

Known funding levels from ARRA are as follows for Illinois. More information for FY2010 will be forthcoming, e.g., for Title II, Part D funds for education technology.

<table>
<thead>
<tr>
<th>Source</th>
<th>ARRA Funds</th>
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<tbody>
<tr>
<td>Title I Grants to Local Educational Agencies</td>
<td>$420,148,642</td>
</tr>
<tr>
<td>IDEA Part B Grants to States</td>
<td>$506,479,753</td>
</tr>
<tr>
<td>IDEA Part B Preschool Grants</td>
<td>$18,311,491</td>
</tr>
<tr>
<td>McKinney-Vento Homeless Grants</td>
<td>$2,581,569</td>
</tr>
<tr>
<td>Title II, Part D – Educational Technology (in July)</td>
<td>$26,515,878</td>
</tr>
<tr>
<td>NSLP School Lunch Equipment (in June)</td>
<td>$3,657,300</td>
</tr>
<tr>
<td>State Fiscal Stabilization Fund (education and general) for elementary, secondary, and public institutions of higher education</td>
<td>$2,055,171,987</td>
</tr>
</tbody>
</table>

These funds must be spent expeditiously but sensibly. Planning for their use in 2008-09, 2009-10, and 2010-11 is critical. We anticipate that the majority of the funds will be budgeted and used in 2009-10, with a small portion to be obligated in 2010-11. A single allocation will be available for the formula funds (such as IDEA Preschool and Title I, Part A) and must be expended by September 30, 2011.

LEAs should carefully read the additional information on waiver requests, fiscal and accountability requirements, and the uses of ARRA funds which can be found at http://www.ed.gov/policy/gen/leg/recovery/index.html.
State Fiscal Stabilization Funds
These funds are being allocated under the guidance of the Office of the Governor. The majority of this funding will be allocated under the State’s primary education funding formula. Specific details will be forthcoming on the distribution of these funds.

ARRA Title I, Part A and IDEA Part B Funding Timelines
These ARRA funds may be used over a total of three fiscal years.

- Specific ARRA allocations will be available for application by LEAs as early as May 1, 2009.
- It is important to note that if an LEA chooses to wait until FY2010 to apply for ARRA Title I, Part A or IDEA funds, all of its funds remain available for FY2010.
- Final obligation of ARRA funds must occur by September 30, 2011.

Additional and separate ARRA reporting requirements are mandated by the U.S. Department of Education for ARRA funds. Specific details on reporting will be forthcoming.

ARRA IDEA Part B Flow Through and Preschool
These ARRA funds will provide an opportunity for LEAs to implement innovative strategies to improve educational outcomes for students with disabilities. None of these funds from ARRA allocated to the states will be set aside for State administrative use or discretionary grants.

As these are one-time funds, ARRA funds should be directed toward short-term investments rather than for expenditures that the LEAs may not be able to sustain once the ARRA funds are expended. Some possible uses of these funds 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 general education teachers that focus on scaling up, through replication, proven and innovative evidence-based school-wide strategies.
- Develop or expand the capacity to collect and use data to improve teaching and learning.
- Develop or expand the capacity of public and private preschool programs to serve preschoolers with disabilities.
- Hire transition coordinators to work with employers in the community to develop job placements for youths with disabilities.

Please note that we have received from a number of organizations information on suggested uses of ARRA funds. We are currently reviewing that information and, where and when appropriate, will be updating our guidance to reflect that.

LEAs may use ARRA IDEA funds over three fiscal years as outlined below:

1) The LEA may choose to separately apply for a portion of their total ARRA IDEA funds in FY2009 in addition to the regular IDEA funds for FY2009 (school year 2008-09). All FY2009 ARRA activities must be completed between May 1, 2009 and June 30, 2009 after the LEA has
received approval from ISBE for the FY2009 ARRA IDEA funds application. LEAs will submit a streamlined **PAPER** application to access funds for this two month period of time. The LEA may apply for another portion of their ARRA IDEA funds in FY2010 and/or FY2011 through the electronic Grants Management System.

2) The LEA may choose not to apply for ARRA IDEA funds in FY2009, and instead to separately apply for a portion or all of their total ARRA IDEA funds in FY2010 *in addition* to the regular IDEA funds available for FY2010 (school year 2009-10) through the electronic Grants Management System.

All FY2010 activities must be completed between the project begin date (July 1, 2009 or date received at ISBE, whichever is later) and the project end date of June 30, 2010 or August 31, 2010. Together, these grant awards will constitute the total FY2010 IDEA funds. The LEA may apply for another portion of their ARRA IDEA funds in FY2011.

3) The LEA may choose to apply for any remaining ARRA IDEA funds in FY2011. The remaining ARRA IDEA funds are *in addition* to the regular IDEA funds for FY2011 (school year 2010-2011). All FY2011 activities must be completed between the project begin date (July 1, 2010 or date received at ISBE, whichever is later) and the project end date of June 30, 2011 or August 31, 2011.

Preliminary LEA estimates of ARRA IDEA funds will be provided separately and should be considered as estimates only. In order to efficiently award and disburse the ARRA IDEA funds, the Illinois State Board of Education needs to know your plans for these funds.

Please indicate your intentions by selecting the choices in the following [ARRA IDEA Letter of Intent](#) and return it to the Division of Fundings and Disbursements Services by April 13, 2009. Please note that if a district is part of a special education joint agreement, the joint agreement will be responsible for notifying ISBE of their intent to apply for the ARRA IDEA funds.

**IMPORTANT:** If you do not return the ARRA IDEA Letter of Intent by April 13, 2009, it will be assumed that you will not apply for ARRA funds until FY2010. Again, there is no penalty to your district for not applying for FY2009 ARRA IDEA funds.
ARRA Title I, Part A
LEAs must use their ARRA Title I, Part A funds consistent with statutory and regulatory requirements, including the requirements to provide equitable services to eligible private school students. Uses should be aligned with the core goals of the ARRA to save and create jobs and to advance reforms consistent with the requirement of Title I, Part A.

As these are one-time funds, ARRA Title I, Part A funds should be directed toward short-term investments rather than for expenditures that the LEAs may not be able to sustain once the recovery funds are expended. Some possible uses of the ARRA Title I, Part A funds include:

- Establishing a system for identifying and training highly effective teachers to serve as instructional leaders in Title I schoolwide programs and modifying the school schedule to allow for collaboration among the instructional staff;

- Establishing intensive, year-long teacher training for all teachers and the principal in a Title I elementary school in corrective action or restructuring status in order to train teachers to use a new reading curriculum that aggressively works on improving students' oral language skills and vocabulary or, in some other way, builds teachers' capacity to address academic achievement problems;

- Strengthen and expand early childhood education by providing resources to align a district-wide Title I pre-K program with state early learning standards and state content standards for grades K–3 and, if there is a plan for sustainability beyond 2010–11, expanding high-quality Title I pre-K programs to larger numbers of young children;

- Providing new opportunities for Title I schoolwide programs for secondary school students to use high-quality, online courseware as supplemental learning materials for meeting mathematics and science requirements;

- Providing professional development to teachers in Title I targeted assistance programs on the use of data to inform and improve instruction for Title I-eligible students;

- Using reading or mathematics coaches to provide professional development to teachers in Title I targeted assistance programs; and

- Establishing or expanding fiscally sustainable extended learning opportunities for Title I-eligible students in targeted assistance programs, including activities provided before school, after school, during the summer, or over an extended school year.

Again, please note that we have received from a number of organizations information on suggested uses of ARRA funds. We are currently reviewing that information and, where and when appropriate, will be updating our guidance to reflect that.

LEAs may use ARRA Title I, Part A funds over three fiscal years as outlined below:
1) The LEA may choose to separately apply for a portion of their total ARRA Title I, Part A funds in FY2009 in addition to the regular Title I, Part A funds for FY2009 (school year 2008-2009). All FY2009 ARRA activities must be completed between May 1, 2009 and June 30, 2009 after the LEA has received approval from ISBE for the FY2009 ARRA Title I, Part A funds application. LEAs will submit a streamlined PAPER application to access funds for this two month period of time. The LEA may apply for or another portion of their ARRA Title I, Part A funds in FY2010 and/or FY2011 through the electronic Grants Management System. The LEA may apply for another portion of their ARRA Title I, Part A funds in FY2010 and/or FY2011.

2) The LEA may choose not to apply for ARRA Title I, Part A funds in FY2009, and instead to separately apply for a portion or all of their total ARRA Title I, Part A funds in FY2010 in addition to the regular Title I, Part A funds available for FY2010 (school year 2009-10) through the electronic Grants Management System.

All FY2010 activities must be completed between the project begin date (July 1, 2009 or date received at ISBE, whichever is later) and the project end date of June 30, 2010 or August 31, 2010.

It is important to note that the 15% maximum carryover limit applies to the total of the ARRA and regular FY2010 Title I, Part A allocations. An LEA must obligate at least 85% of its total FY2010 Title I, Part A funds (including ARRA funds) by September 30, 2010. The LEA may apply for another portion of their ARRA Title I, Part A funds in FY2011.

For example, if the LEA’s ARRA Title I, Part A allocation is $135,000 and the FY10 Title I Part A allocation is $146,000, the total allocation is $281,000. The LEA must expend or obligate at least $238,850 (85%) by September 30, 2010. The carryover unobligated amount, $42,150 (15%) or less, may be applied for in FY2011.

3) The LEA may choose to apply for any remaining ARRA Title I, Part A funds in FY2011. If in FY2011 the LEA has chosen to carryover ARRA Title I, Part A funds up to a maximum of 15 percent of their total funds, these funds will be available for application and obligation until September 30, 2011. The remaining ARRA Title I, Part A funds are in addition to the regular Title I, Part A funds for FY2011 (school year 2010-2011).

All FY2011 activities must be completed between the project begin date (July 1, 2010 or date received at ISBE, whichever is later) and the project end date of June 30, 2011 or August 31, 2011. Together, the FY2011 regular Title I, Part A funds and a maximum 15% of ARRA Title I, Part A funds will constitute the total FY2011 Title I, Part A funds.

Preliminary estimates of ARRA Title I, Part A allocations to each state and LEA are available at http://www.ed.gov/about/overview/budget/news.html#ARRA. These LEA amounts are estimates only. The Illinois State Board of Education must allocate the ARRA Title I, Part A funds according to the current statutory eligibility criteria established for Targeted and Education Finance Incentive Grant formulas of Title I, Part A after reserving funding for school improvement activities.
In order to efficiently award and disburse the ARRA Title I, Part A funding, the Illinois State Board of Education needs to know your plans for these funds.

Please indicate your intentions by selecting one of the three choices in the following ARRAs Title I, Part A Letter of Intent and return it to the Division of Funding and Disbursements Services (E-320) by April 13, 2009.