



# Illinois State Board of Education

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**TOPIC: ARRA IDEA Funds**  
**FROM: Special Education & Support Services Division**  
**DATE: April 30, 2009**

## ***2009 American Recovery and Reinvestment Act IDEA Funds***

### **ARRA Summary**

On February 17, 2009 President Obama signed into law the American Recovery and Reinvestment Act (ARRA) which appropriates new funding for programs under IDEA Part B. The ARRA provides the Illinois State Board of Education with allocations for the following programs: IDEA Part B Flow Through - \$506,479,753 and IDEA Part B Preschool - \$18,311,491. These ARRA IDEA funds are ***in addition*** to the FY10 regular appropriations for IDEA.

The ARRA IDEA funds will provide an opportunity for local education agencies (LEAs) to implement innovative strategies to improve outcomes for children with disabilities. ***None*** of the ARRA IDEA funds allocated to the states will be set aside for administrative or discretionary grant funds but will instead be directed to LEAs and special education cooperatives. However, the United States Department of Education (USDE) has indicated that reasonable adjustments to the limitation on state administration expenditures may be allowed in the future to help states defray the costs of ARRA data collection requirements to track LEA expenditures and outcomes.

### **ARRA IDEA Fund Awards**

Information provided by the USDE states that by the end of March 2009, 50% of the funds will be released to the states and the remaining 50% will be awarded by October 1, 2009. ISBE has now received the initial grant award. The USDE guidance indicates that ARRA IDEA funds should be made available to LEAs by the end of April 2009, and will remain available for obligation at the state and local levels through September 30, 2011.

Preliminary ARRA IDEA grant allocations have been projected and amounts for each LEA and special education cooperative were sent to special education directors through an e-mail message from the Division of Funding and Disbursements. These allocations are also posted on the ISBE website at <http://www.isbe.net/funding/html/specialed.htm>. The allocations that are listed include the entire projected amount that each entity will receive for the ARRA IDEA grant award program.

Grant applications have been developed by ISBE staff and are now being made available to LEAs and special education cooperatives. Those wishing to use funds in FY09 may apply through a paper application which must be submitted to ISBE as quickly as possible but no later than May 31, 2009. FY09 applications must be expended or obligated by June 30, 2009. If funds are not requested for use in FY09, there will be no penalty or reduction of funds; the entire ARRA allocation will be available for application in FY10. For the period beginning July 1, 2009 ARRA IDEA grant applications will be available through the eGMS system. All funds budgeted for the ARRA program must be expended or obligated by September 30, 2011.

## **Investing ARRA IDEA Funds Wisely**

All ARRA IDEA funds must be used consistently with the current IDEA Part B statutory and regulatory requirements applicable in the General Education Provisions Act (GEPA) and the Education Department General Administrative Regulations (EDGAR). An LEA must use ARRA IDEA funds **only** for the excess costs of providing special education and related services to children with disabilities, except where IDEA specifically provides otherwise. **Expenditures that are permissible in the “regular” IDEA Part B Flow Through grants are permissible in the ARRA IDEA grants.** Applicants may refer to the *FY2010 IDEA Part B eGrant Application Instructions* which were mailed to special education directors and are available at [http://www.isbe.net/spec-ed/html/idea\\_part-b.htm](http://www.isbe.net/spec-ed/html/idea_part-b.htm).

Allowable expenditures under the “regular” IDEA Part B Flow Through grants are those that are reasonably necessary for providing appropriate programs and meeting the requirements of the law. Funds may be used to support staff salaries and benefits for teachers, aides, administrative staff and related services personnel, and to support training, specialized consultants, to purchase supplies, materials and equipment. IDEA funds are intended to support the excess costs of students with disabilities that exceed the average expenditure for a general education student. Examples of approved expenditures are listed on pages 17-18 of the *FY2010 Instructions*.

The guiding principles of the 2009 ARRA hold that the funds should be invested thoughtfully in ways that do not result in unsustainable continuing commitments after the funding expires. ARRA funds are described as one-time increases in federal funding and schools are advised to consider expenditures that have a specific and time-limited scope. Because these funds will not be available after the existing appropriations are exhausted, schools should focus on one-time expenditures that can be spent in the next two years and that do not need to be sustained in the future.

Some framing questions which may help grant applicants determine how to spend ARRA funds are referenced in a USDE document at <http://www.ed.gov/policy/gen/leg/recovery/guidance/uses.doc> LEAs may consider whether they can answer “yes” to these five questions:

### **Will the proposed use of ARRA funds . . .**

- 1. Drive results for students?**
- 2. Increase capacity?**
- 3. Accelerate reform?**
- 4. Avoid the funding cliff and improve productivity?**
- 5. Foster continuous improvement?**

LEAs play a critical role in determining not only how to spend the ARRA funds in a wise and “auditable” manner, but also to thoughtfully consider how their use of funds will improve student achievement and reduce the achievement gap. The ARRA priorities may help grant applicants to consider which expenditures would be the most likely to help them address local needs in serving students. The following suggested uses of ARRA IDEA funds are organized into the ARRA priority areas which are:

### **ARRA Priorities**

- Adopting rigorous college- and career-ready standards and high-quality assessments**
- Establishing data systems and using data for improvement**
- Increasing teacher effectiveness and equitable distribution of effective teachers**
- Turning around the lowest-performing schools; and**
- Improving results for all students, including early learning, extended learning time, use of technology, preparation for college, and school modernization**

\$ Spending ARRA IDEA Funds \$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$\$  
Examples for consideration

**I. Adopting rigorous standards and high-quality assessments:**

- Develop or adopt formative and interim assessments that are valid and reliable for all students, especially students with disabilities and English language learners (ELL), and that provide timely data to help educators track and improve student progress. If assessments are technology based, train teachers in how to use this technology.
- Use a high-quality curriculum aligned with standards with embedded assessments. Include purchase of supplementary instructional materials which will assist students with disabilities to access the curriculum. Provide training for all teachers in effectively using the curriculum with their students.
- 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 professional development for teachers and counselors to help increase student participation in rigorous courses and dual enrollment in postsecondary credit-bearing courses.
- Hire specialized consultants to complete developmental assessments

**II. Establishing data systems and using data for improvement:**

- Develop or enhance existing data systems to provide teachers access to (1) student data in such areas as attendance, grades, course schedules, and disability or ELL status, and (2) data that show academic performance and growth, how those compare to statewide averages for similar students and schools, and whether students are on track to meet standards and graduate from high school.
- Train principals, teachers, guidance counselors, and other staff to use data to identify the specific help students need to succeed, to adjust classroom instruction to better address student strengths and weaknesses, and to target professional development and other resources on student and teacher needs.
- Track the number and percentage of students by school who graduate high school and go on to complete at least one year's worth of college credit. Use the information to strengthen high school programs and increase the percentage of students going on to college.
- Launch an easy-to-use online Individualized Education Program (IEP) system for students with disabilities that is aligned with state academic standards and can be used by educators to create content-rich IEPs that are aligned with the general education curriculum.
- Develop or expand the capacity to collect and use data to improve teaching and learning including specific data to assist LEAs with strategies such as differentiated instruction progress monitoring, tiered instruction such as Rtl and formative assessments.
- Expand development and implementation of data systems that help educators identify students at risk of failure or dropping out.
- Ensure access to technology for students with disabilities in the general classroom and case management systems that promote data sharing among teachers and students.

### **III. Increasing teacher effectiveness and equitable distribution of effective teachers:**

- Provide professional development for special education and general education teachers on evidence-based school-wide strategies in reading, math, writing, science, and other subject areas, and positive behavioral supports to improve outcomes for students with disabilities. Provide funding for substitute teachers for community-based organizations so that staff can take advantage of professional development opportunities to increase their skills in working with children with disabilities.
- Support training and implementation of co-teaching models.
- Support new teachers in their first two years on the job through induction programs that include structured mentoring, teacher networks, and extensive professional development.
- Train school staff to partner with families to improve student learning, including helping staff clearly communicate about school programs and individual student progress and fostering involvement in school activities and decision making.
- Use funds to contract with mental health consultants to support teachers in preschool / child care centers as well as schools in their work with children with emotional and behavioral difficulties. This preventative service will assist children who may be at-risk, and help to avoid the future need for an IEP.
- Provide incentives and support for current special education teachers to become highly qualified in core content areas and incentives to attract those teachers to struggling schools.
- Provide stipends/incentives for obtaining additional certifications or training in special education and implementation of best practices and strategies such as tiered instruction and others.
- Contract with short-term consultants to assist districts in developing evidence-based strategies.

### **IV. Turning around the lowest-performing schools:**

- Create programs including summer extended learning opportunities to prepare students to be successful in academics areas.
- Provide ongoing support for teachers and administrators to analyze data and develop specific action plans for improving student results.
- Develop a data-driven approach to understanding school performance and the causes of low performance; closely monitoring results and using this information to modify approaches and expand successful strategies.

### **V. Improving results for all students:**

- Provide intensive district-wide professional development for special education and general 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. Strategies may include but are not limited to:
  - differentiated instruction
  - progress monitoring
  - tiered instruction such as RtI
  - formative assessments.
- Hire transition coordinators to work with employers in the community to develop job placements for youths with disabilities.

- Hire consultants or temporary staff to assist school districts with transition planning for children transitioning from birth to three into preschool so that when ARRA funds are expended the program will have implemented good policies and activities to ensure smooth transitions for children.
- Develop or expand the capacity of public and private preschool programs to serve preschoolers with disabilities. Provide professional development for staff at community-based organizations to enable them to better serve young children with disabilities.
- Use funds to establish better coordination systems between special education services and language support services and to support the extension of language support services to ELL students receiving special education services.
- Modernize / make modifications to facilities so that programs can serve students with disabilities. *Prior approval from ISBE grant coordinator is required for this expenditure.*
- Expand wireless technology by helping to pay for a portion of the expense equaling the eligible students with disabilities who will have access to and use of this technology.

### **Maintenance of Effort and Supplement not Supplant Issues**

The applicability of maintenance of effort and supplement not supplant provisions to funding under ARRA is somewhat complex. The Recovery Act provides some flexibility and relief regarding maintenance of effort requirements. Per 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% 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 (Title Programs). This is a long-standing provision. If an LEA takes advantage of this provision, the required Maintenance of Effort (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.

*As an example, if an LEA receives \$100,000 for the IDEA Part B Flow Through grant for FY 2009, and then receives \$150,000 in FY 2010, the amount of increase or "new money" is \$50,000. The LEA could take 50% of the \$50,000, which is \$25,000 and "treat" that amount as local funds to support activities that would be permitted under the ESEA. If the LEA chooses to do this, their MOE would be reduced by \$25,000 for FY 2010 and for future years.*

*The ARRA IDEA funds are considered an addition to the regular IDEA funds that are already allocated to LEAs, so using the above example; consider the same district which receives \$150,000 in FY 2010 also receives \$100,000 in ARRA IDEA funds. That means the LEA has now received a total of \$250,000 for FY 2010 which is a \$150,000 increase over the previous year. The LEA could take 50% of the \$150,000 increase or \$75,000 which could then be treated as local funds to support activities that are permitted under ESEA. If the LEA chooses to do this, their MOE would be reduced by \$75,000 for FY10 and for future years.*

**Example:**

**FY09 IDEA “Regular” Allocation = \$100,000**

**FY10 IDEA “Regular” Allocation = \$150,000**

**FY10 ARRA IDEA Allocation = \$100,000**

**TOTAL received for FY 10 = \$250,000**

*The increase between FY09 and FY10 is \$150,000*

**The 50% provision allows the district to use 50% of the increase, or \$75,000 to supplant local expenses, providing they are permitted under the ESEA.**

**Prohibition of the 50% MOE Reduction**

Illinois is required to make annual determinations on the performance of each Local Education Agency (LEA) with regard to the provision of special education and related services. The LEA determinations are based on indicators identified by the federal government and delineated in the State Performance Plan (SPP). According to IDEA Section 613(a)(2)(C), if an LEA does not receive a “Meets Requirements” determination, the State Education Agency (SEA) must prohibit an LEA from taking advantage of the 50% Maintenance of Effort (MOE) reduction.

In addition to the above provision, an LEA that is required to use 15% of its IDEA Part B allocation on Early Intervening Services because the SEA identified the LEA as having significant disproportionality under 34 CFR 300.346, will not be able to reduce local MOE under IDEA Section 613(a)(2)(C).

**Non-Public Proportionate Share**

ARRA IDEA funds will be subject to the provision of services for children with disabilities in parentally-placed private schools. The same regulations that apply to the “regular” IDEA funds also apply to the ARRA funds with respect to non-public proportionate share. Please refer to the *FY2010 Instructions* on pages 9-10 for more information regarding this provision. In addition, applicants may wish to visit the ISBE website at <http://www.isbe.net/funding/html/specialed.htm> to see the non-public proportionate share calculations for each LEA.

**Professional Development**

A 5% set-aside for staff development is required in the “regular” IDEA Part B Flow Through grant application, but is not required in the ARRA IDEA grants. LEAs and cooperatives may choose however, to use the funds for staff development to meet local needs. Much of the guidance from USDE indicates that staff development may be a wise use of ARRA IDEA funds depending upon what local program/grant activities may require. Applicants are encouraged to consider the value of providing staff with intensive training that is necessary to implement new strategies and programs.

**Transparency, Accountability, and Reporting**

ARRA requires that recipients of funds made available under that Act separately account for, and report on, how those funds are spent. Grant recipients will need to maintain accurate documentation of all ARRA expenditures to ensure that the data reported is accurate, complete, and reliable. States will be expected to monitor LEA grants to help ensure data quality and the proper expenditure of ARRA funds.

All ARRA funds must be spent with an unprecedented level of transparency and accountability. As reporting requirements are released to the states by USDE, the information will be made available to all grant recipients.

### ***Proposed Timelines for the ARRA IDEA Grants***

<b>DATE</b>	<b>ACTION</b>
<b>February 17, 2009</b>	ARRA was signed into law by President Obama
<b>April 1, 2009</b>	USDE release of ARRA IDEA Fund allocations to states
<b>April 2009</b>	ISBE provides guidance and allocations for ARRA IDEA funds which may be applied for through a paper application process for a May/June grant cycle. Paper grant applications are mailed to LEAs which submitted a Letter of Intent to apply for ARRA IDEA funds in FY09. Half of the total allocation may be applied for by July and the other half will be available in October.
<b>May 2009</b>	Review and approval of paper applications for May/June 2009 ARRA IDEA funds
<b>June 1, 2009</b>	Target date for posting of eGMS ARRA IDEA applications for FY2010
<b>June 30, 2009</b>	Completion of brief May/June ARRA IDEA funds grant cycle
<b>October 1, 2009</b>	Release of second half of ARRA IDEA funds into Illinois
<b>June 1, 2010</b>	Target date for release of eGMS applications for FY 2011
<b>September 30, 2011</b>	End date for all IDEA Recovery funds expenditures and obligations

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