

**American Recovery and Reinvestment Act of 2009  
Question and Answer  
May 1 Webinar**

**TRACKING OF ARRA DOLLARS**

**Q: If I am the member of a coop, is the coop responsible for the separate tracking of the ARRA IDEA dollars that sub-grant out to my district or do I need to do it as well?**

A: Proper procedures for the reimbursement and tracking of subgrants are described on page 31 of the FY 2010 eGrant Application Instructions and Program Information Booklet which is available at [http://www.isbe.net/spec-ed/html/idea\\_part-b.htm](http://www.isbe.net/spec-ed/html/idea_part-b.htm).

**Q: So does this mean that all LEAS will be audited by federal government after September 2011 for ARRA use?**

A: It is always possible that districts will be audited for regular or ARRA grants.

**Q: Can the ARRA-GSA money be invested and earn interest through the remainder of the fiscal year?**

A: Federal funds should not earn interest. Any interest greater than \$100 will have to be returned to the federal government.

**Q: How are we supposed to open up a Revenue Source Code dimension on the expenditure side in an accounting system that has no extra dimension available, e.g. Skyward?**

A: Federal guidelines require that ARRA revenues and expenditures are transparent and easy to track. Therefore, districts must track these receipts and expenditures with the revenue source code documented in the emergency rules. Districts may need to contact their software providers and discuss the need of the revenue account codes.

**Q: Can you please review the expenditure account numbering process?**

A: Districts are required to follow a specific account coding process. This process can be found under the Rules section of the ISBE Web site. Click on

rules on the ISBE homepage ([www.isbe.net](http://www.isbe.net)), click on "rules", and go to Part 100 to find all of the requirements and accounting codes.

**Q: What if our financial software will not allow a revenue source designation?**

A: Federal guidelines require that there be a transparency and trackability to the ARRA revenues and expenditures. Therefore, districts must track these receipts and expenditures with the revenue source code documented in the emergency rules. Districts may need to contact their software providers and discuss the need of the revenue account codes.

**Q: Do we have to expend 85% of the total ARRA funds in FY10 or 85% of the funds that we apply for in FY10? I thought we could use the money over both FY10 and FY11 based on our application amount?**

A: There is a carryover limit for Title I. You may carryover no more than 15% of your FY10 Title I allocation (including ARRA & regular allocation). This applies to districts with at least \$50,000 total allocation. All ARRA funds must be obligated by September 2011.

**Q: SFSF money is coming to us as GSA. How can we be held to supplanting limitations on SFSF funds when GSA is used to pay normal, everyday expenditures?**

A: Supplanting restrictions do not apply to the State Fiscal Stabilization Fund (Title IX of the ARRA).

**Q: Must districts account for ARRA-GSA expenditures separately for the remainder of FY09?**

A: Yes.

**Q: Are districts required to go through the formal process to amend their budget this fiscal year because of ARRA-GSA?**

A: If the expenditures for which the ARRA GSA funds are used are already denoted in the current district budget and if the total expenditures in any fund is not increasing more than what is in the current budget, districts will not be required to amend their budgets for ARRA GSA funds. However, if the expenditures are not already budgeted and/or the total expenditures increase more than the total already in the approved budget, an amendment will be required.

**Q: Can you be more specific on what is considered maintenance costs under assurance #12?**

A: The federal definition of maintenance costs does not include normal costs for building operations such as janitorial services or utilities costs. The prohibition is specific to a maintenance person and costs associated with building maintenance.

**Q: Does the ARRA General State Aid money have to be tracked to each person? Our software vendor has asked that we just do a general accounting entry after paying the salaries and attach a spread sheet as our documentation. I wanted him to change our software so we could pay the remaining May-August checks with ARRA money instead of state aid money.**

A: Federal guidelines require that ARRA revenues and expenditures are transparent and easy to track. Therefore, districts must track these receipts and expenditures with the revenue source code documented in the emergency rules. If districts use journal entries to transfer payments from "regular" accounts to "ARRA" accounts, documentation must be maintained to support these journal entries.

**Q: Another district spoke of journaling expenses into these source-identified expenditure accounts. We are assuming that this is not acceptable. Can you confirm?**

A: If districts use journal entries to transfer payments from "regular" accounts to "ARRA" accounts, documentation must be maintained to support these journal entries.

**Q: Please re-explain the possible need to amend our district budgets when receiving and expending ARRA SFSF funds in FY09.**

A: If the expenditures for which the ARRA GSA funds are used are already denoted in the current district budget, and if the total expenditures in any fund is not increasing more than what is in the current budget, districts will not be required to amend their budgets for ARRA GSA funds. However, if the expenditures are not already budget and/or the total expenditures increase more than the total already in the approved budget, an amendment will be required.

**Q: Is there going to be any training available soon for bookkeepers on the changes in the IPAM?**

A: There were several training sessions conducted throughout the state over the last two years. If you were unable to attend one of these sessions, please give us a call and we'll be more than glad to review this process with you.

## **IDEA Funds**

**Q: Rather than use their proportionate share of IDEA for private/parochial for services, can we allow them to use it for equipment and supplies for students with disabilities? Can it be for early intervening services?**

A: Decisions regarding the use of ARRA IDEA Part B funds for proportionate share to private/parochial schools should follow the same procedures as the regular IDEA Part B funds. If these funds are used for Early Intervening Services (EIS), they should be calculated as part of the 15% that is allowed in the allocation.

**Q: Can we use both the 15% of IDEA for Early Intervening Services as well as use the 50% rule?**

A: MOE and the 15% of IDEA funds for early intervening services are interconnected. Therefore, an LEA must carefully consider how it uses the funds. Notably, the LEA must calculate its 15% by subtracting the amount, on a dollar for dollar basis, by which the LEA reduced its required state and local expenditures under the maintenance of effort provisions, from the total amount of IDEA funds received.

**Q: Could you provide specific examples of what might be considered assisted technology?**

A: Please see ISBE's special education Web site at [http://www.isbe.net/spec-ed/html/assist\\_tech.htm](http://www.isbe.net/spec-ed/html/assist_tech.htm) for more information on this issue.

**Q: Are the ARRA IDEA Part B Funds required to have 5% withheld for in-service?**

A: No. This is a requirement only for IDEA Part B Flow Through grants.

**Q: Is there a special form to request approval for a construction project using the IDEA Part B dollars and if so, where is it located?**

A: Yes. ISBE will provide a form for districts to use to request approval for construction projects funded with ARRA IDEA Part B funds. The form will be posted at [http://www.isbe.net/spec-ed/html/idea\\_part-b.htm](http://www.isbe.net/spec-ed/html/idea_part-b.htm) as soon as it is available.

**Q: Equipment over \$500 needs prior approval - via grant application or must we confer first with grant coordinator before putting it in a grant application?**

A: Approval for equipment purchases is given through the grant application process. All materials and supplies exceeding \$1000 in total and all equipment exceeding \$500 per unit must be itemized on the budget detail page.

**Q: ARRA IDEA - must 5% be set aside for professional development?**

A: No. This is a requirement only for IDEA Part B Flow Through grants.

**Q: Any restrictions on how ARRA IDEA is spent for non-public proportionate share?**

A: Decisions regarding the use of ARRA IDEA Part B funds for proportionate share to private/parochial schools should follow the same procedures as the regular IDEA Part B funds.

**Q: How soon in FY10 will this IDEA money flow?**

A: Funds will be available after July 1 based on the receipt of a substantially approvable FY 10 district or joint agreement application. Payments will be vouchered based on the monthly payment schedule indicated on the FY 10 IDEA grant.

**Q: Will there be additional guidance on how to spend Part B ARRA funds?**

A: Guidance is available at <http://www.isbe.net/arra/default.htm> and [http://www.isbe.net/spec-ed/html/idea\\_part-b.htm](http://www.isbe.net/spec-ed/html/idea_part-b.htm). When additional guidance becomes available it will be published at [http://www.isbe.net/spec-ed/html/idea\\_part-b.htm](http://www.isbe.net/spec-ed/html/idea_part-b.htm)

**Q: With the 50% rule can a district use that money to pay the salary of a special education director?**

A: To the maximum extent possible, these funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires. This is something that should be decided on a case by case basis with your grant coordinator.

**Q: Are there any exceptions or means to challenge a "Needs Assistance" designation on a single Indicator #13?**

A: The inability to utilize the 50% for MOE reduction is significant. The IDEA Federal Rules and Regulations state at §308.608 regarding State Enforcement:

If an SEA determines that an LEA is not meeting the requirements of Part B of the Act...the SEA must prohibit the LEA from reducing the LEA's Maintenance of effort.

**Q: If we use some of the IDEA ARRA funds for construction, how does that impact the MOE calculation?**

A: The MOE calculation for the fiscal year during which the construction occurs would be calculated using the usual prescribed procedure.

**Q: What year data and LEA IDEA Determination status will apply to the ARRA IDEA Funds used in fiscal years 10 and 11?**

A: ARRA IDEA funds are allocated for FY 2010. Local determination for FY 10 were established utilizing data from the 2007-2008 school year.

**Q: Is the State Board considering making an exception to the scoring requirements under the IDEA determination for districts since the "stakes" are so high? This is in response to district being able to use IDEA funds for MOE. One late report prohibits access to those funds for MOE.**

A: The IDEA Federal Rules and Regulations §308.608 regarding State Enforcement:

If an SEA determines that an LEA is not meeting the requirements of Part B of the Act...the SEA must prohibit the LEA from reducing the LEA's maintenance of effort. ISBE currently does not have any authority to grant an exception.

**Q: If we have a school that has about 23% spec ed. population and a spec.ed/preK at-risk program in the same school that doesn't have a gym, could we use 100% of IDEA funds for construction or only use the percentage for the spec ed. students?**

A: The IDEA Federal Rules and Regulations state at §300.202 that grant funds must be used only to pay the excess costs of providing special education and related services to children with disabilities. All construction projects must be preapproved and must meet these criteria.

**Q: Will there be capital money available other than IDEA?**

A: Unfortunately, new capital money was not made available through the Stimulus funds. However, there are three types of tax credit bonds; Qualified Zone Academy Bonds, Qualified School Construction Bonds, and Build America Bonds. The application for QZAB and QSCB will be forthcoming on the ISBE Web site shortly. Districts can already obtain Build America Bonds through their bond counsel.

**Q: Where on the ISBE Web site is the information regarding the amount each LEA may supplant under IDEA or where the MOE has been calculated for the districts?**

A: This information is still being compiled and will be posted on the agency's ARRA website as soon as it's complete.

**Q: Please re-explain the explanation regarding the 50% rule.**

A: Please see pages 16-18 (Questions D-6 through D-11) of the ED ARRA guidance for IDEA Part B at

<http://www.ed.gov/policy/gen/leg/recovery/guidance/idea-b.pdf>

### **Title I Funds**

**Q: Can we use ARRA Title I funds to supplant maintenance of effort?**

A: The maintenance of effort and supplement not supplant requirements are the same for ARRA Title I as they are for regular Title I. As stated in ED's Title I, Part A fiscal guidance question (available at <http://www.ed.gov/programs/titleiparta/fiscalguid.doc>), when calculating whether an LEA has maintained effort, an LEA could allocate expenditures of Federal funds in a schoolwide program in proportion to the amount of Federal funds provided to the schoolwide program. For example, if Federal programs contributed 25 percent of the funds in a schoolwide program, the LEA would consider 25 percent of the funds expended in the schoolwide program to be Federal funds that the LEA would then exclude from its maintenance of effort determination. In regards to ARRA IDEA Part B funds, the rules are that if an LEA meets the requirements, it may treat as local funds up to 50% of the amount of funds it is eligible to receive from that appropriation that exceeds the amount from funds appropriated for the previous fiscal year that the LEA was eligible to receive...to carry out activities that could be supported with funds under the ESEA regardless of whether the LEA is using funds under the ESEA for those activities.

**Q: If a district currently has a Title 1 grant but there are more teachers in the program than are paid by existing grant dollars, may the new funds be used to pay for these salaries?**

A: If you are asking, 'can additional funds be used to pay for salaries of staff providing program services?' the answer would be yes, but, keep in mind these funds are available for a short amount of time and that prohibitions on supplanting applies. This is a good question to ask the districts grant contact since the circumstances are different everywhere.

**Q: Set asides for Title I are based on combined Total Regular Title I Funds and ARRA funds, so am I able to combine funds to be able to service all my schools above the 35% poverty level?**

A: Yes.

**Q: Can we purchase Smart Boards with the ARRA Title I funds?**

A: It depends. Are you a targeted assistance or schoolwide Title I program? What does your Title I Plan say in regards to technology? Is there a reliable research base that provides evidence that Smart Boards improve student achievement in core areas? Depending on the answer to these questions, Smart Boards may be an allowable use of ARRA Title I funds.

**Q: For Title I, can the ARRA funds be used for a preschool program if the school is not included in targeted assistance?**

A: No. Children would have to qualify for Title I services.

**Q: May ARRA Title I \$ for Fiscal Year 09 be used for a June summer school program?**

A: Yes. If you have an approved ARRA Title I application and activities are completed by June 30.

**Q: If our Title I funds pay only a portion of our teacher's salary, can we use ARRA funds to pay for the remainder of her salary?**

A: Yes.

**Q: Clarify the comment that anyone living in "trailer parks" are included as homeless.**

A: As stated on the slide, the federal government's definition states the homeless students may include those living in trailer parks due to lack of alternative adequate accommodations. For our example, the use of FEMA trailers that are brought into an area due to devastation and are not permanent home sites and are necessary due to the lack of an alternative would qualify under the federal definition. Please see the definition posted on ISBE's website at <http://www.isbe.net/homeless/pdf/definition.pdf> or the National Association for the Education of Homeless Youth at <http://www.naehcy.org/> for more information on this subject.

**Q: When will ISBE have a process and criteria for how the authorization for QSCB will be assigned?**



A: The development of the process is just about finished. Please watch our Web site and the Superintendent's Weekly Message.

**Q: We are a district that is required to set aside 10% for SES. Will we have to set aside an additional 10% for SES with the new Title I ARRA monies?**

A: Yes. This issue is addressed in question 23 of the agency's FAQ available at [http://www.isbe.net/arra/pdf/arra\\_faqs.pdf](http://www.isbe.net/arra/pdf/arra_faqs.pdf)

### **FY09**

**Q: ISBE still owes our district over \$3,000,000 in categorical funding. It was just stated that "it is hoped" that making GSA payments with ARRA funding will free up funding to make categorical payments. What if it doesn't free up enough funding? Stimulus Title I or IDEA money is nice, but it doesn't help me fund my Transportation Department or Drivers Ed or School Lunch, etc.**

A: The infusion of the ARRA funding for GSA in FY 09 will not solve the backlog of general revenue payments at the Comptroller but it will improve their ability to release outstanding payments. Please note that Driver Education is paid from the Driver Education Fund and there is no delay in receipt of the quarterly payments.

**Q: We are holding 20% of our state grant funds back in case the state does not pay all our grant dollars in May for us to use them. Is this necessary?**

A: Activities & expenditures for your grant programs must be completed by your project ending date.

**Q: Can we count on receiving all the funds that have been vouchered by ISBE and are being held by the Comptroller no later than August 30, 2009? This is important as most grant funds must be obligated by June 30 and those obligations liquidated by August 30th.**

A: We cannot guarantee that vouchers will be released. Once ISBE has vouchered the payments they are in the Comptroller's control and as you know there is a large backlog of bills needing to be paid. We understand the vouchers will be processed in the order received.

**Q: Will we receive the 23rd and 24th payment of state aid with ARRA money?**

A: Beginning with FY 09 and thereafter, General State Aid payments are paid over 22 payments instead of 24. ARRA Stabilization funds are being used to

voucher five FY 09 GSA payments beginning with the second payment in April through June.

**Q: If federal stimulus dollars were not available, would the last 5 payments for GSA not have been paid?**

A: Although irrelevant at this point, all remaining scheduled GSA payments would have been vouchered by ISBE.

**Q: Where do you go on your Web site to view information sent out in the indicator letters?**

A: All information related to the ARRA is posted on the agency's ARRA Web site at [www.isbe.net/arra](http://www.isbe.net/arra).

### **Education Technology**

**Q: Any info on Title II Part D - Ed Tech?**

A: Title II, D funds are not expected to be released from ED to states until later this summer. ED has not yet released any guidance on this program. As soon as additional information becomes available, ISBE will post it on the ARRA Web site at [www.isbe.net/arra](http://www.isbe.net/arra). You may also want to check the U.S. Department of Education's Recovery Web site for additional information on programs included in the ARRA. <http://www.ed.gov/policy/gen/leg/recovery/index.html> Please also keep in mind that once ED issues the funds to ISBE, it still may take some time to get the money out to districts.

### **General AARA**

**Q: How would we continue to employ a new coordinator position after the ARRA funds are no longer available?**

A: ARRA represents an historic infusion of funds that is expected to be temporary. ARRA IDEA funds are available only through September 30, 2011. To the maximum extent possible, these funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.

**Q: We need additional information on supplanting and maintenance of effort. It is still not clear to us.**

A: This issue is addressed in questions 22, 30, 33, and 34 of the agency's FAQ available at [http://www.isbe.net/arra/pdf/arra\\_faqs.pdf](http://www.isbe.net/arra/pdf/arra_faqs.pdf). There is also an e-bulletin that focuses on supplement not supplant provisions that can be found at: <http://www.isbe.net/e-bulletins/pdf/02-09.pdf>

**Q: What ARRA funds are available for "modernization, renovation, or repair of public schools"? Please elaborate.**

A: This issue is addressed in question 7 of the agency's FAQ available at [http://www.isbe.net/arra/pdf/arra\\_faqs.pdf](http://www.isbe.net/arra/pdf/arra_faqs.pdf)

**Q: Why is Title I money subject to TRS payments and not IDEA?**

A: Both Title I & IDEA are subject to the federal contribution rate for Teachers Retirement System. This applies to all federally funded TRS members for the regular and ARRA. General State Aid paid with ARRA State Fiscal Stabilization Funds are subject only to the regular TRS contribution rate and not the federal contribution rate.

**Q: Did you say that we could use ARRA State Aid funds for paying utility bills?**

A: General operations costs such as janitorial and utilities are allowed to be paid with ARRA General State Aid funds but costs for a maintenance person and associated costs are not.

**Q: What are your plans for allocating FY2010 funds to higher Ed, particularly community colleges? Will those funds flow through IBHE, ICCB, or directly to institutions through ISBE?**

A: ISBE does not fund higher education or community colleges. Those funds will flow through IBHE and ICCB. Please check their Web sites for additional information at [www.ibhe.org](http://www.ibhe.org) or [www.iccb.org](http://www.iccb.org).

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