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April 1, 2009

MEMORANDUM

TO: District Superintendents
District Special Education Directors

FROM: Frankie McCabe, Director, Office of Special Education, Elementary and Secondary Education,
and School Improvement Programs

SUBJECT: Individuals with Disabilities Education Act (IDEA) Recovery Funds and Allocations for School
Year 2009-2010

The Nevada Department of Education (NDE) has received information on the American Recovery and Reinvestment Act (ARRA) and wanted to share what we have with you. The information presented in this memorandum describes the information in the attached document that was prepared by the U. S. Department of Education (USDE) as well as the information obtained in our office through a conference call with the Office of Special Education Programs (OSEP) (Attachment A). It is our understanding that additional information and clarification regarding how these funds can be spent and the specific data collection requirements will be forthcoming sometime in April. In the meantime I wanted to provide you with some initial guidance.

About the ARRA, IDEA Funds

The overarching goal of the one-time ARRA, IDEA funds is to stimulate the economy in the short-term while investing in Nevada's long-term special education goals. The long-term goals for special education in Nevada are delineated in Nevada's State Performance Plan (SPP). Accordingly, districts should develop a plan to use the IDEA stimulus funds to improve the performance of students with disabilities as defined by the federally required indicators and performance targets that are in the SPP. As in the past, data will be collected on each district's progress in meeting the SPP targets and will be reported through the annual district report card process as well as aggregated at the state level in the Annual Performance Report (APR).

The USDE has identified four broad priority goals that guide the distribution of these funds: 1) spend funds quickly to save and create jobs; 2) improve student achievement through school improvement and reform; 3) ensure transparency, reporting, and accountability; and 4) invest one-time ARRA funds thoughtfully to minimize the funding cliff. The NDE believes that these four broad goals support and strengthen the work the State and local districts are already undertaking to improve special education services for students with disabilities in Nevada through the implementation of the SPP.

Use of the ARRA, IDEA Funds

The ARRA, IDEA funds must be used in accordance with the IDEA, Part B statutory and regulatory requirements and other pertinent federal laws and regulations. The ARRA, IDEA funds will be added to each of Nevada's 17 school district's 2009 Part B allocation. As with the current requirements, the IDEA, Part B allocation for 2009, which includes the ARRA funds, must only be used for the excess costs of providing special education and related services to children with disabilities.

An Equal Opportunity Agency

Possible uses of these one-time ARRA, IDEA funds are indicated below:

- Retention of supplemental special education personnel in order to avert layoffs (must adhere to IDEA, Maintenance of Effort (MOE) requirements)
- Expansion of teacher mentor programs in order to attract and retain qualified special education personnel
- Provide summer remedial programs
- Obtain state of the art assistive technology devices and provide professional development in the use of such technology in order to enhance access to the general curriculum
- Provide intensive district-wide professional development for special 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, Positive Behavioral Supports (PBS) to improve student outcomes for students with disabilities (e.g., Response to Intervention (RTI) systems, PBS school-wide systems)
- Develop or expand the capacity to collect and use data to improve teaching and learning (e.g., academic or behavioral progress monitoring systems)
- Retain or hire transition coordinators to work with employers in the community to develop job placements for youth with disabilities

How the Funds will be Distributed

The Federal Fiscal Year (FFY) 09 IDEA grant award will be comprised of each district's regular Part B allocation, plus the ARRA award. The ARRA, IDEA funds, similar to the Part B regular allocation, will be distributed in accordance with the federal IDEA funding formula in two separate distributions: 50% of the district's allocation on April 1, 2009, and the remaining 50% of the funds on September 30, 2009. The regular Part B allocation will also be distributed on two separate dates—July 1, 2009 and October 1, 2009. Districts will need to obligate the majority of the ARRA funds in FFY09 and FFY10. **All ARRA, IDEA funds must be obligated by September 30, 2011.**

District level grant awards will be made available as soon as possible after the NDE receives the ARRA, IDEA FFY09 funds. For each distribution of the regular and ARRA funds identified above there will be an initial subgrant award, followed by a revision of the award to add the remaining allocation. Accordingly, each district will be required to provide an initial budget for regular allocation and an initial budget for the ARRA allocation, with an amended budget for each of the two allocations once the remaining funds have been allocated.

The ARRA, IDEA funds must be separately accounted for and reported on, including how these funds are spent and the results of the expenditures. The OSEP has indicated to the NDE that an additional, uniform data reporting form will be sent to states sometime in April 2009. As soon as the NDE receives the information from the OSEP the information will be forwarded to the districts. Each district's regular and ARRA, FFY09 allocation is attached to this memorandum for review and planning purposes (Attachment B). The exact date the NDE will receive the FFY09 allocation is unknown, but it is anticipated it will be sometime in April 2009.

To ensure separate accountability the NDE will flow-through the ARRA, IDEA funds through the NDE's electronic ePAGE grant system. The new ARRA, IDEA applications are currently being created by the organization providing technical support for ePAGE, and should be available for the NDE to test in April. The applications will be open for districts to input once the NDE receives the funds and creates the work program authority to distribute the funds within the state system. The initial information that will need to be inputted in order for the districts to receive the funds include the following:

- Supplemental Schedule Detail (budget detail)
- Spending Plan (budget summary)
- Assurances

After the budgets are approved by the NDE, the districts will be able to request the funds.

The Spending Plan Details Page will **not** be available at this time. This section of ePAGE is where the statistical information and narratives are included, and this is where the NDE will capture the reporting information required by the USDE. Since the reporting requirements are not known at this time, districts will not have to respond to these questions or narratives until the NDE identifies the information required for reporting purposes. It is projected that the NDE will have this information no later than July 1, 2009.

In a sense, each application will be approved by the NDE in two (2) separate reviews. The budget information will be reviewed first, and approximately two (2) months later the reporting and statistical information will be approved.

Data Collection Requirements

While the NDE awaits further guidance from the OSEP, it would be appropriate for Local Educational Agencies (LEAs) to begin to plan for potential reporting requirements relative to the ARRA, IDEA, Part B funds. As previously stated, the application contained in ePAGE will indicate essential reporting requirements. However, considering there is an appetite for "an unprecedented level of transparency and accountability," it would be prudent for LEAs to anticipate any potential reporting requests (e.g., data that indicates the impact of the funds, etc.) that are related to the use of the IDEA recovery funds.

Other Fiscal Information

There are two important fiscal issues that districts must be aware of relative to the IDEA, Part B allocation. Both issues are described below. It is important to understand the interconnectedness between the use of the MOE provision described below and the choice of the district to use Part B funds for Coordinated Early Intervening Services (CEIS). The amount of funds a district chooses to use for one-purpose affects the amount of funds that it may use for the other purpose. Federal guidance, with examples of the interconnectedness of these two fiscal options, is provided under Appendix D to Part 300.

- 34 CFR §300.205 Adjustments to local fiscal efforts in certain fiscal years. A district may be able to reduce the level of state and local expenditures otherwise required by the IDEA, MOE requirements. Essentially, in any year that the district's Part B allocation is greater than the amount the district received in the previous year the district may reduce the level of state and local expenditures by up to 50% of the amount of the increase. In such instances the district must use the freed-up local funds for activities that could be supported under the Elementary and Secondary Education Act (ESEA). If the district takes advantage of this provision, the required MOE for future years is reduced consistent with the reduction the district took, unless the district increases local expenditures on its own. Districts interested in taking advantage of this flexibility should work with the local ESEA office for guidance on permissible uses of these funds. In order to access this flexibility a district must be designated as "Meets Requirements" from the state's special education accountability system.
- 34 CFR §300.226 Early intervening services. A district may use up to 15% of its total IDEA, Part B allocation (includes Early Childhood Pre-School Grants) for children K- through 12 who are not currently identified as children with disabilities who need additional academic or behavioral support, less any amount reduced by 34 CFR §300.205. The permissible uses for coordinated early intervening services and the data collection requirements are identified in the federal regulations cited above.

If you have questions or concerns about the distribution of the ARRA, IDEA funds, please contact me at (775) 687-9171.

FM/td

Attachments

C: K. Rheault
G. Dopf
J. Wells