



OFFICE OF SPECIAL EDUCATION AND EARLY INTERVENTION SERVICES

AMERICAN RECOVERY AND REINVESTMENT ACT IDEA, SECTION 611, PART B (UPDATED 6/22)

FREQUENTLY ASKED QUESTIONS

Question: How much ARRA funding will my district receive?

Answer: How much ARRA funding an LEA/PSA receives will be determined by how the ISD distributes ARRA funds to the LEAs/PSAs within its service area. ISDs received their estimated awards April 9, 2009.

Date Amended/Added: 4/20/2009

Question: When will the ARRA funds be made available to ISDs and LEAs?

Answer: The Department of Education was awarded 50% of the IDEA Recovery Funds in the first week of April. States are encouraged to make funds available within thirty (30) days after funds are made available to states. Guidance from USED and the award letter make funds available for obligation starting February 17, 2009 through September 30, 2011.

Date Amended/Added: 4/20/2009

Question: How will my district receive the ARRA funds?

Answer: The IDEA Recovery Funds will be made available through a grant application in the Michigan Electronic Grants System (MEGS). Funds will be made available upon receipt of a substantially approvable application. Cash draws for reimbursements will be made through the Cash Management System (CMS).

Date Amended/Added: 4/20/2009

Question: Will my district receive the ARRA funds in one lump sum?

Answer: No. However, 50% of the IDEA Recovery Funds will be made initially available for obligation starting as of February 17, 2009. The remainder of the IDEA Recovery Funds will be available after states amend their IDEA application for federal fiscal year 2009 funding. It is anticipated that those funds would be available to states by October 1, 2009. IDEA Recovery Funds will be combined with the IDEA regular award and all will be considered 2009-2010 funding.

Date Amended/Added: 4/20/2009

Question: Will my district need to apply for the ARRA funds?

Answer: Yes. The IDEA Recovery Funds will be made available through a grant application in the Michigan Electronic Grants System (MEGS). Funds will be made available upon receipt of a substantially approvable application. Cash draws for reimbursements will be made through the Cash Management System (CMS).

Date Amended/Added: 4/20/2009

Question:	What are the restrictions about the use of the ARRA IDEA Recovery funds?
Answer:	The MDE, OSE-EIS is currently in the process of developing guidance and technical assistance documents for the use of IDEA Recovery Funds. ISDs and LEAs should continue to monitor the USED and MDE, OSE-EIS websites for any updated information.
Date Amended/Added:	4/20/2009
Question:	What are the reporting requirements for the ARRA funds?
Answer:	Federal guidance has not been provided specific to the ARRA IDEA Recovery Funds. Indications are that, at a minimum, quarterly reporting will be required on the nature of activities and the amounts of Recovery Funds being spent. All existing reporting requirements under IDEA apply to these funds as well.
Date Amended/Added:	4/20/2009
Question:	How does the use of the ARRA funds impact Maintenance of Effort?
Answer:	All Maintenance of Effort provisions apply to ARRA IDEA Recovery Funds. To the extent that expenditures reported for state reimbursement on the Form SE-4096 and SE-4094 are reduced, all provisions including Per-Capita calculations, elections under Sec. 613(a)(2)(C) and allowable exceptions under Reg. Sec. 300.204 must be considered.
Date Amended/Added:	4/20/2009
Question:	Do all provisions of IDEA Part B, Section 611, apply to the ARRA funds?
Answer:	Yes. The ARRA IDEA Recovery Funds and the Regular IDEA Award will be considered as one 2009-2010 award (with two separate applications) for purposes of all fiscal calculations such as Early Intervening Services limits, Proportionate Share for Parentally Placed Children in Private Settings and the option to reduce state and local effort under Section 613(a)(2)(C).
Date Amended/Added:	4/20/2009
Question:	What happens if I do not spend all of the ARRA funds during the first year?
Answer:	ARRA IDEA Recovery Funds may be used for approved activities beginning February 17, 2009 through September 30, 2011
Date Amended/Added:	4/20/2009
Question:	Can an ISD/LEA/PSA spend their entire ARRA IDEA Flowthrough allocation in a single fiscal year (i.e., 2009/2010)?
Answer:	Yes.
Date Amended/Added:	6/22/2009
Question:	Can an ISD/LEA/PSA have expenditures retroactive to February 17, 2009 pertaining to their ARRA allocations? If so, how will those expenditures be accounted for in MEGS?
Answer:	Yes. ARRA IDEA funds are available for obligation from February 17, 2009 through September 30, 2011. They remain part of the 2009-10 ARRA IDEA grant regardless of what fiscal year the expenditures are made. Budget items within MEGS will be designated as 2008-09, 2009-10, or 2010-11 when the budget items are added.
Date Amended/Added:	6/22/2009
Question:	When will ISDs/LEA/PSAs be notified of the balance of their ARRA IDEA Flowthrough allocation?
Answer:	The second part of the ARRA IDEA allocation will be calculated after the distribution factors (Student counts and poverty counts) are finalized and Michigan is notified of the final amount of the ARRA award. OSEP has indicated that this should be finalized by October 1, 2009. Michigan will notify ISDs of their final allocations as soon as all the information is final.
Date Amended/Added:	6/22/2009

Question: For the 2009-10 MOE calculation, are the ARRA funds included on the IDEA line?

Answer: MOE is a calculation of State and local spending generally measured by the SE-4096 and SE-4094 cost reports. ARRA IDEA and Regular IDEA funds are combined for calculation of the increased allocation for elections under the 50% rule.

Date Amended/Added: 6/22/2009

Question: If a district opts to spend only a portion of their ARRA IDEA Flowthrough allocation in 2009-10, would the balance be considered Flowthrough Carryover ARRA funds?

Answer: Yes. ARRA funds will always remain ARRA funds and tracked as such.

Date Amended/Added: 6/22/2009

Question: If an ISD/LEA/PSA shifts staff that are funded with state/local dollars in 2008-09 to ARRA IDEA Flowthrough with the same function code for special education, is this considered using the 50% Rule or is it just a shift since the ARRA IDEA dollars will be reported in the IDEA line in the calculation?

Answer: The 50% rule is an election for Maintenance of Effort purposes, to reduce your State and local effort in 2009-10, by up to 50% of the increase in the 2009-10 combined ARRA and Regular IDEA allocation over the 2008-09 IDEA allocation. There is no direct spending to be designated on the Federal grant associated with the 50% rule.

Date Amended/Added: 6/22/2009

Question: Does an ISD/LEA/PSA need to identify what the freed up dollars (that are shifted to ARRA for state/local dollars) are used for?

Answer: To the extent an ISD/LEA/PSA elects to reduce their State and local effort under the 50% rule in 2009-10, an equal amount of local funds must be spent on activities authorized under the Elementary and Secondary Education Act. The States have been notified that we will need to obtain a report of what these activities are and we will be required to report that to OSEP. The MDE, OSE-EIS does not have guidance on what will be required in these reports. We believe, but it's subject to change when guidance is available from OSEP, that locals will need to have records to document the nature of the expenditure, what the expenditures were and the amounts spent.

Date Amended/Added: 6/22/2009

Question: If an ISD/LEA/PSA is going to use the 50% rule, do they deduct that amount before they calculate proportionate share?

Answer: Proportionate share of IDEA for 2009-10 is based on the combined total allocation of the ARRA IDEA and Regular IDEA funds regardless of any other elections made.

Date Amended/Added: 6/22/2009