

## IDEA Stimulus Funds and Charter Schools

- Charter Schools will receive IDEA Stimulus Funds in the same fashion as LEAs.
- When completing your PDE 363 Funding for Charter Schools be sure your LEA IDEA Stimulus Funds are included in the deduction for federal funds to avoid overstating your funding amount per student.
- LEAs may use IDEA Stimulus Funds to pay excess costs of Special Education Students over Nonspecial Education Students for Charter School students.

American Reinvestment & Recovery Act (ARRA)  
Overview of Funding to  
Pennsylvania School Districts  
Frequently Asked Questions

**Basic Education Funding increase and SFSF grants**

**What is the Basic Education Funding increase this year?**

The increase in Basic Education Funding proposed for 2009-10 is in the total amount of \$418 million, which is the full amount of year 2 of the six year implementation plan to fund the state's share of the school funding adequacy gap in every school district.

Governor Rendell originally proposed a BEF increase of \$300 million at his budget address in February but the subsequent passage of the ARRA made additional funding available. At this time, the Governor has proposed using SFSF to fund the full amount of years two and three of the funding formula roll out in the amounts of \$418 million and \$735 million respectively in 2009-10 and 2010-11.

**How is the BEF increase related to ARRA funding?**

The governor proposes to use SFSF to fund the BEF increase in 2009-10 and 2010-11.

**What happened to ABG and EAP funding?**

These two funding streams have been rolled into the Basic Education Subsidy in a manner that preserves the funding stream for every district. While the actual allocations of ABG and EAP are now subsumed in the BEF increase column, each district is still receiving its ABG and EAP funding in addition to its BEF increase based on the funding formula. This is true for all districts, even those districts which are receiving the 2% minimum increase.

**Do the ABG and EAP spending restrictions still apply to the ABG and EAP funding streams?**

Yes. ABG funding may be spent as specified in 24 PS 25-2599.2 and EAP funding may be spent as specified in 24 PS 15-1512-C.

**How may school districts spend their BEF increase?**

School district must spend their BEF increase based on the same rules that applied last year as specified in 24 PS 25 - 2502.49

- An amount equal to up to 4.1% of the district's increase over last year's BEF formula may be spent on any operational expense of the school district.
- 80% of remainder of the increase in BEF over last year must be used to expand programs and services as follows:
  - Increase in instructional time
  - Extend the school day
  - Extend the school year
  - Tutoring
  - Implementation high rigor curricula/advanced courses

- Professional development to promote college and career ready high school graduates
- Class size reduction
- Pre-k or full day kindergarten
- Teacher or principal incentives in struggling schools
- School library services
- Up to 10% of such funds may be spent to maintain existing programs that meet the stated goals above or for one time operational cost
- Up to an additional 10% of such funds may be spent on other strategies to increase achievement or for one-time operational cost

#### **How may school districts spend their SFSF grants?**

Because SFSF grants are one time grants, not expected to be renewed after 2011, SFSF should be spent on one-time, short term expenditures that can be funded within two years and do not need to be sustained. SFSF allocations to school districts and charter schools are shown on the Estimated School District Allocations on the department's stimulus website at [www.pde.state.pa.us/stimulus](http://www.pde.state.pa.us/stimulus).

Suggestions for one-time short term expenditures of SFSF grants are:

- Modernization, renovation and repair of school facilities and/or
- Any activity authorized under:
  - ESEA/NCLB
  - IDEA
  - Carl D. Perkins Career and Technical Education Act
  - Adult and Family Literacy Act

#### **May SFSF grants be used for technology?**

Yes.

#### **May BEF increase or SFSF funds be used for Alternative Education?**

Up to 4.1% of the increase in BEF may be used for any operational costs including Alternative Education. The remainder of the BEF increase may be used for a menu of programs identified in in 24 P.S. 25-2502.49 which includes

strategies for addressing the learning needs of students at risk of academic failure or needing remediation or in strategies to ensure that students stay in school until graduation and successfully transition to postsecondary education or to the workforce.

To the extent alternative education programs fall within this definition or other definitions in this section, then increase in BEF funds may be used.

School districts are encouraged to use SFSF funds for one-time short term expenses because SFSF is not expected to be sustained over time.

American Reinvestment & Recovery Act (ARRA)  
Overview of Funding to  
Pennsylvania School Districts  
Frequently Asked Questions

## **Title I**

**Q1. Will LEAs receive a regular Title I allocation on July 1 in addition to the Title I Supplemental Allocation through ARRA?**

A1. Yes. The Supplemental Title I Allocation received through ARRA is in addition to the regular Title I money that eligible LEAs will receive for 2009-10 on July 1.

**Q2. Will LEAs receive Title I ARRA for one year or two?**

A2. The Supplemental Title I ARRA dollars are a one-time allocation and are considered to be 2009-10 funds. There will NOT be a second ARRA supplemental Title I allocation in 2010-11.

**Q3. What is the obligation period for the Supplemental Title I Funds under ARRA?**

A3. The obligation period will be April 5, 2009 (or upon submission of the eGrant application) through September 30, 2011 (with approved carryover).

**Q4. Explain the process for applying for both the Supplemental and Regular Title I allocations for 2009-10.**

A4. The Federal Programs eGrant system will open on April 5, 2009, for LEAs to complete the portion of the Consolidated Application for the Supplemental Title I dollars under ARRA. Those applications will be due no later than May 15, 2009, and processed for funding. On or about July 1, 2009, the application for the regular Title I allocations will be opened and LEAs will amend their Consolidated Application to include the regular portion of the Title I dollars.

**Q5. Do all of the regular Title I set-aside rules (such as School Improvement/School Choice and SES, Parent Involvement, etc.) apply to the Supplemental Title I funds under ARRA?**

A5. Yes.

**Q6. Does the 15% carryover limitation on Title I funds apply to the Supplemental Title I funds under ARRA?**

A6. Yes. The carryover limitation applies and, in accordance with ARRA, LEAs are expected to plan programs that can be implemented quickly and effectively. However, the State may request waivers from USDE on this requirement for LEAs with appropriate justification from the LEA.

**Q1. What are the differences in allowable uses of the Supplemental Title I ARRA funds in schoolwide vs. targeted Title I programs?**

A1. The same rules apply to the Supplemental ARRA Title I dollars as the regular Title I dollars. Schools are eligible to use their Title I funding “schoolwide” if they have at least 40% free/reduced lunch population in their building and if they have a schoolwide plan written. Schoolwide programs give schools the maximum amount of flexibility in spending Title I dollars. If a school district’s Title I schools are operating a “schoolwide” Title I program, Title I may fund any activity written in the district’s schoolwide plan.

In a Title I targeted program (for those Title I buildings with less than 40% free/reduced lunch population), the Title I dollars must be targeted to programs for the school’s lowest performing students and be focused in the areas of Reading/Math.

As districts plan for to use of Supplemental Title I funds under ARRA, note that whether a particular purchase of such things as science kits, literacy/math coaches and library is materials is permitted, will depend on the type of Title I program being implemented in the schools.

**Q2. Must LEAs provide equitable services to Nonpublic schools with the Supplemental Title I ARRA funds?**

A2. Yes. The same rules apply to the Supplemental Title I funds as the regular Title I funds.

**Q3. Will funding exist after 2011 to support expansion or additions to our Title I programs that are implemented with the ARRA funds?**

A3. No. It is for this reason that PDE is encouraging districts to consider programs or services that can be implemented and paid for within two years and do not need additional funds to sustain after 2011.

American Reinvestment & Recovery Act (ARRA)  
Overview of Funding to  
Pennsylvania School Districts  
Frequently Asked Questions

**IDEA**

**Are ARRA Supplemental IDEA B funds in addition to the funds received last year from IDEA B?**

Yes. ARRA funds are separate from and in addition to the school district's regular allocation.

**When and how will ARRA Supplemental IDEA funds be available?**

At this time it is anticipated that the funds will be passed through some of the IUs, although there are anticipated changes in the routine process to expedite moving the funds to the school districts and charter schools. Additional information regarding the disbursement will be forwarded to the IUs, school districts and charter schools by early April.

**Will school districts have access to all ARRA IDEA supplemental funds immediately or will PDE split it into two separate years?**

The Department of Education plans to award 50 percent of the IDEA, Part B funds (Grants to States) as soon as the Department receives the Grant Award. The second 50% will be distributed in October 2009.

**How quickly will ARRA supplemental IDEA funds have to be spent?**

All ARRA supplemental IDEA funds must be obligated by September 30, 2011.

**May school districts use ARRA IDEA money for school modernization, in particular, construction of Special Ed classrooms to reduce class size?**

No. IDEA-B funds may not be used for construction.

**Are school districts allowed to reduce their local effort for special education by using the additional IDEA funds we are going to receive?**

An LEA may be able to reduce the level of state and local expenditures otherwise required by the IDEA LEA maintenance of effort (MOE) requirements as allowed under IDEA. Generally, under 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 percent 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.

If an LEA takes advantage of this provision, the required MOE for future years is reduced consistent with the reduction taken, unless the LEA increases the amount of its state and local expenditures on its own. We encourage LEAs that can and do take advantage of this flexibility to focus the freed-up local funds on one-time expenditures that will promote make progress on the goals stated in SFSF, such as improving the equitable

distribution of effective teachers and high quality assessments. School and districts should be prepared to collect and report information on the use of the freed-up funds.

**Are ARRA IDEA funds subject to maintenance of effort in the future?**

All ARRA IDEA funds must be used consistently with the current IDEA, Part B statutory and regulatory requirements and applicable requirements in the General Education Provisions Act (GEPA) and the Education Department General Administrative Regulations (EDGAR). The LEA may not have maintained state and local effort based on the Department's initial review of data, but will have an opportunity to provide additional information to the Department that demonstrates the LEA can meet certain exceptions to MOE under 34 C.F.R. §300.204 which may include many of the approved ARRA expenditures for one-time expenses.

**May districts use IDEA funding for energy audits or green expenditures?**

No. These are not allowable expenditures under IDEA B.

**Can IDEA funds be used to purchase a wheelchair van?**

No, but funds would be allowed toward rental or lease of a vehicle.

**May school districts reduce property taxes or avoid a tax increase with ARRA supplemental IDEA funds?**

Reduction of property taxes is not an allowable use of IDEA funds. However, if the district was considering a tax increase to fund additional expenses for special education and is able to avoid or postpone such a decision by using supplemental ARRA IDEA funds for permitted new special education expenses, that is permitted.

IDEA funds can be used for any allowable new costs. IDEA funds can not be used to replace/supplant local or state funds. For example, if you are currently paying a teacher's salary with local/state funds you cannot replace the local/state funds with IDEA funds. However, if you want to purchase new assistive technology or present professional development to help teachers meet the needs of their students with disabilities, ARRA supplemental IDEA funds could be used for these purposes.

**Can the IDEA preschool money be used to create inclusive pre-k programs?**

Yes, as long as it does not supplant existing state/local funds.

**Can IDEA funds be used to increase ADA compliance for elevators?**

IDEA funds can not be used for construction.

**Can we use 50% of the ARRA supplemental IDEA funds (increase over prior year) to fund operational increases over last year?**

An LEA may be able to reduce the level of state and local expenditures otherwise required by the IDEA LEA maintenance of effort (MOE) requirements as allowed under IDEA. Generally, under 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 Percent 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. If an LEA takes advantage of this provision, the required 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. We encourage LEAs that can and do take advantage of this flexibility to focus the freed-up local funds on one-time expenditures that will help the state make progress on the goals in the SFSF program, such as improving the equitable distribution of effective teachers and the quality of assessments. Be prepared to collect and report information on the use of the freed-up funds.

**Can IDEA funds be used to replicate Classrooms for the Future in special ed classrooms?**

IDEA funds can be used to purchase computers and software for eligible students with disabilities.

**Do the IUs receive a percentage of the IDEA funds prior to giving the districts their allocations?**

The IUs will receive funds to serve pre-school children with disabilities (EI) and the children with disabilities unilaterally enrolled in private schools by their parents (EP). Both the EI and EP deductions are mandated by the federal funding calculation. BSE is encouraging school districts and charter schools to contract with their IUs to provide professional development as appropriate.

**Could IDEA funds be used to expand wireless technology in buildings in which LRE percentages are being met?**

IDEA funds may not be used to pay for an entire technology project in a building that includes both children with disabilities and other children. IDEA funds may be used to pay for the portion of eligible students with disabilities who will have access to and use of this technology.

**May school districts use ARRA supplemental IDEA funds to fund the increases in salary and benefits of current staff?**

IDEA funds may only be used for salary and benefit increases for staff who are currently being paid from IDEA funds. Districts may also use the funds for new positions, realizing this is a one-time revenue which will need another funding source to sustain the salary and benefits in the future, unless positions are temporary..

**May any of these monies be linked to a new cyber school initiative for students who qualify for Title I and/or IDEA?**

Charter schools which serve Title I and IDEA students already receive their own allocations of ARRA supplemental funds.