

# **Michigan and the American Recovery and Reinvestment Act (ARRA)**

## ARRA IDEA Overview

Presentation to Troy Special Education  
Parent Advisory Committee

March 31, 2010

# ARRA Comes in Two Large Sections

- State Fiscal Stabilization
- Direct Education
  - Title I, Part A
  - Title I, Part A School Improvement
  - Title II, Part D Educational Technology
  - Title X, Part C Homeless
  - IDEA Special Education
  - School Meal Equipment Assistance

# ARRA Principles

- Spend Funds quickly to save and create jobs
- Improve student achievement through school improvement and reform
- Ensure transparency, reporting and accountability
- Invest one-time ARRA funds thoughtfully to minimize the “funding cliff”

# American Recovery & Reinvestment Act

- \$11.3 billion for IDEA, Part B:
  - Districts can reduce their local effort by an amount equal to 50 percent of the federal increase.
  - Reclaimed local dollars must be spent on activities authorized under ESEA.
  - For instance, if your district gets a \$500,000 increase in IDEA, they could reduce their local effort in special education by \$250,000 providing that they use those dollars for activities under ESEA.
  - These funds should be **used for short-term investments with the potential for long-term benefits**. School districts should be careful to avoid expenditures they may not be able to sustain once the recovery funds are spent.

# Adjustment to Local Fiscal Efforts

## Section §300.205(a)

For any fiscal year for which the allocation received by an LEA exceeds the amount the LEA received for the previous fiscal year, the LEA may reduce the level of expenditures otherwise required under local maintenance of effort by not more than 50% of the amount of that excess.

# IDEA Options

- Option One:
  - 50% of ARRA funds to be used to offset the general fund contribution to special education programs in year one (2009/10)
  - Remaining 50% to be used for purposes consistent with IDEA, Part B requirements in year two (2010/11), including offset of general fund contribution
  - Can permanently reduce MOE and special education program expenditures

## IDEA Options (cont.)

- Option Two:
  - 50% of ARRA funds to be used to offset the general fund contribution to special education programs in year one (2009/10)
  - Remaining 50% to be used for purposes consistent with IDEA, Part B requirements in year one
  - Can permanently reduce MOE and special education program expenditures

# IDEA Examples

- District spends \$1.0 million annually on special education, \$100,000 of which is IDEA
- ARRA IDEA funding is \$200,000

# IDEA Examples

<b>CURRENT PROGRAM</b>						
	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>		<u>2012/13</u>
Special Ed.	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000		\$ 900,000
IDEA	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000		\$ 100,000
Total	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000
<b>OPTION ONE</b>						
	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>		<u>2012/13</u>
Special Ed.	\$ 900,000	\$ 800,000	\$ 800,000	\$ 900,000	a)	\$ 900,000
IDEA	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000		\$ 100,000
ARRA		\$ 100,000	\$ 100,000			
Total	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000
a) Can be permanently reduced to \$800,000.						
<b>OPTION TWO</b>						
	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>		<u>2012/13</u>
Special Ed.	\$ 900,000	\$ 800,000	\$ 900,000	\$ 900,000		\$ 900,000
IDEA	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000		\$ 100,000
ARRA		\$ 200,000				
Total	\$ 1,000,000	\$ 1,100,000	\$ 1,000,000	\$ 1,000,000		\$ 1,000,000
a) Can be permanently reduced to \$800,000.						

# TSD IDEA Allocation

- Troy School District's estimated ARRA IDEA allocation is \$2,173,272
- \$1,086,636 can be used for the general fund contribution to special education programs
  - For the 2007/08 school year, this amount equaled \$2,444,865
- District will experience a reduction in special education state aid categorical funding equal to 28.6138% of expenditures claimed for IDEA funding (\$310,928)

# TSD IDEA Allocation

<b><i>Special Education Funding</i></b>		
<b><i>2007-08 Fiscal Year</i></b>		
<b>REVENUES:</b>		
Foundation Allowance		2,604,279.06
Hold-Harmless (Local)		319,319.88
Section 51 a		2,467,702.35
PA-18		8,087,539.00
IDEA		1,709,445.00
Medicaid FFS		25,827.00
		<u>15,214,112.29</u>
<b>EXPENDITURES:</b>		
SE-4096		13,314,933.00
IDEA		1,709,445.00
Center Prog. Tuition		2,634,599.00
		<u>17,658,977.00</u>
GF Contrib. to Sp. Ed.		(2,444,864.71)

# TSD IDEA Allocation

<b>CURRENT PROGRAM</b>					
	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>
<b>Revenue:</b>					
Sp. Ed Categorical	2,467,702	2,467,702	2,467,702	2,467,702	2,467,702
IDEA	1,709,445	1,709,445	1,709,445	1,709,445	1,709,445
ARRA					
Other	11,036,965	11,036,965	11,036,965	11,036,965	11,036,965
	15,214,112	15,214,112	15,214,112	15,214,112	15,214,112
<b>Expenditures:</b>					
Special Ed.	13,314,933	13,314,933	13,314,933	13,314,933	13,314,933
IDEA	1,709,445	1,709,445	1,709,445	1,709,445	1,709,445
Center Prog. Tuition	\$ 2,634,599	\$ 2,634,599	\$ 2,634,599	\$ 2,634,599	\$ 2,634,599
Total	\$ 17,658,977	\$ 17,658,977	\$ 17,658,977	\$ 17,658,977	\$ 17,658,977
Excess/(Shortfall)	\$ (2,444,865)	\$ (2,444,865)	\$ (2,444,865)	\$ (2,444,865)	\$ (2,444,865)

# TSD IDEA Allocation

<b>OPTION ONE</b>						
	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>		<u>2012/13</u>
<b>Revenue:</b>						
Sp. Ed Categorical	2,467,702	2,156,773	2,467,702	2,467,702		2,467,702
IDEA	1,709,445	1,709,445	1,709,445	1,709,445		1,709,445
ARRA		1,086,636	1,086,636			
Other	11,036,965	\$ 11,036,965	\$ 11,036,965	\$ 11,036,965	\$	11,036,965
	15,214,112	15,989,819	16,300,748	15,214,112		15,214,112
<b>Expenditures:</b>						
Special Ed.	13,314,933	\$ 12,228,297	\$ 13,314,933	\$ 13,314,933	a) \$	13,314,933
IDEA	1,709,445	1,709,445	1,709,445	1,709,445		1,709,445
ARRA		1,086,636	1,086,636		b)	
Center Prog. Tuition	\$ 2,634,599	\$ 2,634,599	\$ 2,634,599	\$ 2,634,599	\$	2,634,599
Total	\$ 17,658,977	\$ 17,658,977	\$ 18,745,613	\$ 17,658,977	\$	17,658,977
Excess/(Shortfall)	(2,444,865)	(1,669,158)	(2,444,865)	(2,444,865)		(2,444,865)
a) Can be permanently reduced to \$12,228,297.						
b) ARRA funds in year two are spent in IDEA Part B expenditures.						

# TSD IDEA Allocation

<b>OPTION TWO</b>						
	<u>2008/09</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>		<u>2012/13</u>
<b>Revenue:</b>						
Sp. Ed Categorical	2,467,702	2,156,773	2,467,702	2,467,702		2,467,702
IDEA	1,709,445	1,709,445	1,709,445	1,709,445		1,709,445
ARRA		2,173,272	-			
Other	11,036,965	\$ 11,036,965	\$ 11,036,965	\$ 11,036,965	\$	\$ 11,036,965
	15,214,112	17,076,455	15,214,112	15,214,112		15,214,112
<b>Expenditures:</b>						
Special Ed.	13,314,933	\$ 12,228,297	\$ 13,314,933	\$ 13,314,933	a) \$	\$ 13,314,933
IDEA	1,709,445	1,709,445	1,709,445	1,709,445		1,709,445
ARRA		2,173,272	-		b)	
Center Prog. Tuition	\$ 2,634,599	\$ 2,634,599	\$ 2,634,599	\$ 2,634,599	\$	\$ 2,634,599
Total	\$ 17,658,977	\$ 18,745,613	\$ 17,658,977	\$ 17,658,977	\$	\$ 17,658,977
Excess/(Shortfall)	(2,444,865)	(1,669,158)	(2,444,865)	(2,444,865)		(2,444,865)
a) Can be permanently reduced to \$12,228,297.						
b) ARRA funds in year two are spent in IDEA Part B expenditures.						



# Reconciliation

(2,444,865)	Special Education Shortfall, 2008/09
<u>1,860,473</u>	Special Education Shortfall, 2009/2010
584,392	Difference
818,636	IDEA ARRA Allocation
<u>(234,244)</u>	Loss of 51(a) State Funding
584,392	Difference

# IDEA Expenditure Examples

- Systemic Improvements for Student Achievement using Evidence-based practices (1.80 FTE Teacher Consultants)
  - Professional Development (PD) for school-wide Response to Intervention (RtI) systems
    - Positive Behavior Supports (PBS)
    - Literacy
    - Other academic content areas

# IDEA Expenditure Examples

- Technology
  - Assistive Technology services and devices
  - Online PD
  - Online student courses and learning opportunities
  - Electronic records management for student progress monitoring and data-based instruction/interventions decisions

# Questions

