

**Stimulus Funding Alert:
Suggestions on Approaching Districts With Unspent ARRA Funds in
Title I and IDEA Special Education Programs that Must be
Encumbered by September 30th**

A Technology Monitoring and Information Service (TechMIS)

STIMULUS FUNDING ALERT

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As reported in our last TechMIS Washington Update, USED sent a letter warning states that they had to obligate any remaining ARRA funds in ESEA programs, including Title I, by September 30, 2011, or run the risk of losing such funds. In a September 21st letter to Chief State School Officers, Acting Assistant Secretary for Elementary and Secondary Education Michael Yudin offered states the opportunity to receive a waiver to extend the obligation deadline to September 30, 2012. The letter stated, “Accordingly, under the waiver authority in ESEA Section 9401, I am inviting each SEA to request a waiver of the Tydings Amendment, if necessary, to extend through September 30, 2012.” Most states have already received a waiver to extend the obligation date of Title I regular funds; we estimate about \$3 billion has been carried over. This new waiver would also apply to any non-obligated Title I ARRA funds and most other ESEA programs, ARRA and regular funds, including Title IID Enhancing Education Through Technology, Title IIIA English Language State Grants, Title IVA Safe and Drug Free Communities and Title IVB 21st Century Community Learning Centers. As stated, the waiver extension would not apply to IDEA regular funds and probably not to IDEA ARRA funds.

While the states wishing waivers must submit their request by October 31st in accordance with guidelines outlined in the September 21st letter, Assistant Secretary Yudin urged that waivers be submitted prior to September 30th; after September 30th, funds are essentially “frozen” until the formal waiver request is received and approved. In his letter, Yudin emphasized the need to provide continued support for education reform and the need to offer flexibility to SEAs and LEAs “to give them further time to make spending decisions wisely. For example, it would be unfortunate if grant recipients or sub-recipients terminate employees or postpone hiring when there are FY 2009 funds that could be used to keep personnel employed.” Further details will be provided if “clarifications” are made. While spending “pressures” will likely be lessened, fewer funds will likely have to be returned to USED.