

April 16, 2009

To: Chief School Administrators  
Charter School Lead Persons

From: Lucille E. Davy, Commissioner

Subject: American Recovery and Reinvestment Act (ARRA) Guidance for Title I and  
IDEA

Today, Thursday, April 16, 2009, the New Jersey Department of Education (NJDOE) posted on its website, [www.state.nj.us/education](http://www.state.nj.us/education) the preliminary American Recovery and Reinvestment Act (ARRA) allocation of funds for Title I and the Individuals with Disabilities Education Act (IDEA). These funds create an unprecedented opportunity for educators to implement innovative strategies to improve education for at-risk students in Title I schools and to improve outcomes for children and youth with disabilities, while also stimulating the economy. The Title I and IDEA allocations are distributed by federal formula, and are to be used at local discretion, within the parameters set by the two programs.

The USDOE recently disseminated initial guidance, providing sufficient information for states and local districts to begin a planning process for use of these ARRA funds. The NJDOE is developing the application process for ARRA Title I and IDEA funds as well as directions for the required quarterly reports, which will assure transparency and accountability. All districts will be required to submit an application and receive approval by the NJDOE prior to the disbursement of any ARRA Title I and IDEA funds. This application should be available by mid-summer. However, for those districts that intend to use these ARRA funds during the summer of 2009 for school improvement, student programs or staff development, or for preschool in school year 2009-2010, a streamlined application will be available shortly. Following receipt of the completed, streamlined application, the NJDOE will advise districts as to whether their proposed use of these ARRA funds for summer projects has received preliminary approval.

In preparation for the final ARRA application process, districts are encouraged to use the guidance in this memo and the information on the USDOE website to begin a local dialogue about the best use of the funds. As a first step, each district is encouraged to examine its local district data profile regarding progress on special education indicators and targets and to assess needs for students at-risk and schools in need of improvement based on QSAC and CAPA findings as well as recent Title I plans.

To help with the planning, this memo includes the following:

- A summary of the available Title I and IDEA ARRA funds for New Jersey p.2
- A review of federal and state priorities p. 3-4
- Reflections on IDEA Funds  
Goals and Fiscal Considerations Attachment A
- Reflections on Title I Funds  
Goals and Fiscal Consideration Attachment B

Technical Assistance  
NJDOE is scheduling a series of regional trainings in early June to assist districts in planning for the use of and accounting for the tracking of these federal funds. At these meetings districts will also receive assistance in completing the final application for the funds.

**Distribution of Title I and IDEA ARRA Funds in New Jersey**

Funding Stream	How it can be Used	Timeline for District Use	Approximate allocations
Education for at-risk students(distributed using the Title I Part A formulas to districts with poverty rate at 5% or more)	Supporting new and existing programs that hold promise for increasing success of at-risk students Must follow Title I guidelines	Spring 2009 until September 2011	\$173 million
Title I School Improvement Part a	Supporting specific Title 1 schools in need of improvement	Spring 2009 until September 2011	\$7 million
Education for Neglected and Delinquent Students (distributed using the Title I Part D formula to districts that regularly get these funds)	Supporting programs done in conjunction with juvenile delinquency agencies	Spring 2009 until September 2011	\$850,000
School Improvement Title I Part G (selected schools)	Supporting Title I Schools in advanced levels of improvement status	Fall 2009 until September 2011	\$57 million
Education for students with disabilities (distributed using IDEA formula to all schools)	Supporting new and existing programs that hold promise for increasing success of students with disabilities  Must follow IDEA guidelines	Spring 2009 until September 2011	\$360 million basic \$11 million IDEA Pre-school

## Federal Priorities

The federal government has established four principles to guide the distribution and use of ARRA funds. These priorities will be used to establish the accountability system that is so much a part of this act.

- a. **Spend funds quickly to save and create jobs**
- b. **Improve student achievement through school improvement and reform:** ARRA funds should be used to improve student achievement, and help close the achievement gap. In addition, the ARRA requires progress on four reforms previously authorized under the Elementary and Secondary Education Act and the America Competes Act of 2007:
  1. Making progress toward rigorous college and career ready standards and high quality assessments that are valid and reliable for all students, including English language learners and students with disabilities.
  2. Establishing pre-K-to college and career data systems that progress and foster continuous improvement.
  3. Making improvement in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need.
  4. Providing intensive support and effective interventions for the lowest-performing schools.
- c. **Ensure transparency, reporting and accountability:** To prevent fraud and abuse, support the most effective uses of ARRA funds, and accurately measure and track results, recipients must publicly report on how funds are used. Due to the unprecedented scope and importance of this investment, ARRA funds are subject to additional and more rigorous reporting requirements than normally apply to grant recipients.
- d. **Invest one-time ARRA funds thoughtfully to minimize the “funding cliff”:** ARRA represents a historic infusion of funds that is expected to be temporary. Depending on the program, these funds are available for only two to three years. These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.

## State Priorities

**Title I funding is limited to eligible districts and can only be used in those school buildings within the district that are designated as Title I Schools. After completing an application, other schools in the district may be designated as Title I schools and will be permitted to use ARRA funds. If you need additional information, please call Suzanne Ochse at 609-943-4283 or email at [arratitle1@doe.state.nj.us](mailto:arratitle1@doe.state.nj.us). The use of IDEA funds is described in Appendix A under Fiscal Guidance. Questions about IDEA should be directed to Roberta Wohle at 609-633-6833 or email [arraidea@doe.state.nj.us](mailto:arraidea@doe.state.nj.us). A description of the requirements for each program is attached to this memo.**

Both the federal and state governments agree that there are two important, well-supported ways to have the greatest impact on the future success of New Jersey students.

(1) Invest in high quality pre-school programs

New Jersey Plan for Early Childhood

Title I ARRA funds may be used to support a district's new or expanded preschool program, consistent with Title I eligibility requirements. Moreover, the State will match at least dollar for dollar, up to a total of \$25 million, those Title I funds budgeted for preschool, subject to Title I student eligibility requirements. Priority for these State matching funds will be given to districts required to offer a universal preschool program. However, if sufficient State matching funds are available, targeted districts will be given the opportunity to apply. A separate memorandum will outline the details and set forth the requirements for participation.

(2) Change the traditional high school and high school classroom so that all students are intellectually and socially prepared for college and careers in the 21<sup>st</sup> century.

Some further ideas to consider

- Invest in equipment to upgrade science labs in Title I school wide programs.
- Invest in career and technical education equipment based on the interests of the students and needs identified by regional employers.
- Increase the use of state-of-the-art assistive technology and provide training for staff and students.
- Run summer programs for academically at-risk high school students that combine study of critical subjects with afternoon work. Combine teacher training with the academic programs.
- Run summer programs for academically at-risk middle school students that combine academic study with high interest activities in areas such as sports or the arts. Combine teacher training with the academic programs.
- Train teachers and run introductory classes in Advanced Placement or Honors.
- Adopt LEADS for intermediate grade literacy and begin staff training this summer (See the DOE Website for information on LEADS.)
- Adopt new tested programs in math that are designed to provide success for middle school and high school students who are having difficulty in learning middle school math and Algebra.  
(Call the DOE Office of Math and Science at 609-984-5322 for further information.)
- Provide staff development for inclusion teachers.
- Provide staff development for classroom teachers who are working with ELL and/or special education students.
- Provide staff development for principals and supervisors in leadership strategies that are proven to work with "turnaround" schools.

In sum, the ARRA funds present the State with an exciting and unique opportunity to take significant steps toward improving the quality of education in New Jersey. The NJDOE plans to work closely with districts in the coming months to assist them in planning for the best uses of these resources to ensure that the funds are invested in the types of programs and projects that will have a lasting beneficial impact on the students of this State.

# Attachment A

## IDEA RECOVERY FUNDS

The *IDEA* recovery funds constitute a large one-time increment in *IDEA*, Part B funding that offers states and LEAs a unique opportunity **to improve teaching and learning and results for children with disabilities**. Generally, funds should be used for short-term investments that have the potential for long-term benefits, rather than for expenditures the LEAs may not be able to sustain once the recovery funds are expended.

Guidance from the USDOE provided some possible uses of these limited-term *IDEA* recovery funds that are allowable under *IDEA* and aligned with ARRA core reform goals. These potential uses of *IDEA* recovery funds include:

- Obtain state-of-the art assistive technology devices and provide training in their use to enhance access to the general curriculum for students with disabilities.
- Provide intensive district-wide professional development for special education 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, and positive behavioral supports to improve outcomes for students with disabilities.
- Develop or expand the capacity to collect and use data to improve teaching and learning.
- Expand the availability and range of inclusive placement options for preschoolers with disabilities by developing the capacity of public and private preschool programs to serve these children.
- Hire transition coordinators to work with employers in the community to develop job placements for youths with disabilities.

### NJDOE Priority Areas

Consistent with the USDOE suggestions listed above, the New Jersey Department of Education, Office of Special Education Programs (NJOSEP) strongly recommends that in planning for the use of the recovery funds, each local district review its local district profiles to identify areas in need of improvement in relation to the New Jersey State Plan Performance targets. Additionally, NJOSEP recommends that local districts update their data systems, as needed, to ensure timely and accurate special education data submissions to NJOSEP.

With a focus on improved teaching and learning and results for students with disabilities, NJOSEP has identified three priority areas that should form the basis of the district's use of the *IDEA* recovery funds: **Expanded In-District Program Options; Positive Student Outcomes; and Upgraded Data Systems.**

#### **Priority Area 1: In-District Program Options**

Create and/or expand in-district programs options that maximize the opportunities for students with disabilities to be educated with their non-disabled peers.

## **Priority Area 2: Positive Student Outcomes**

Plan and conduct program improvement and personnel development activities in response to local district performance on the indicators listed in the web site below. Districts should refer to the following website for the most recent data profiles that detail local district performance on these indicators: <http://www.nj.gov/education/specialed/sppi0607/>.

## **Priority Area 3: Upgraded Data Systems**

Upgrade current district data systems through purchase of hardware and software systems to: improve student level databases; integrate special education and general education student level databases; design tracking and IEP applications; provide training for staff in using data systems for data driven decision-making.

## **Fiscal Guidance**

All provisions that currently apply to IDEA funds also apply to the IDEA Part B ARRA Funds. An LEA (local education agency) must use IDEA Part B ARRA funds only for the excess costs of providing special education and related services to children with disabilities, except where IDEA specifically provides otherwise.

### **Reduction of Maintenance of Effort**

- Under certain circumstances 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. 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, 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 existing or new 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. The NJDOE encourages 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 ARRA core reform goals such as improving the equitable distribution of effective teachers and the quality of assessments. The NJDOE will collect and report information on the use of the freed-up funds.

### **Exceptions to Reducing Maintenance of Effort**

As per the Guidance issued by the U.S. Department of Education (USDOE) in April 2009 (see [www.ed.gov/policy](http://www.ed.gov/policy)) there are exceptions that exclude some LEAs from using the reduction of maintenance of effort provision.

- Under IDEA section 616 (f), if a State determines that an LEA is not meeting the requirements of Part B, including meeting targets in the state's performance plan, the SEA must prohibit that LEA from reducing its MOE under LEA section 613(a)(2)(C) for any

fiscal year. *An LEA must receive a determination under section 616 of “Meets Requirements” from the state in order to take advantage of this flexibility.*

**Therefore, districts that received a determination of Needs Assistance or Needs Intervention will not be able to take advantage of any of the flexibility for local MOE reduction.** *Please refer to the correspondence issued earlier this year by the New Jersey Department of Education, Office of Special Education Programs regarding its annual determination of your school district’s implementation of federal and state special education requirements.*

### **Coordinated Early Intervening Services (CEIS)**

An LEA may (or in some cases must) use up to 15 percent of its total *IDEA*, Part B Grants to States and Preschool Grants for early intervening services for children in grades K through 12 who are not currently identified as children with disabilities, but who need additional academic and behavioral support to succeed in a general education environment.

- LEAs that received a determination of “Meets Requirements” may choose to use up to 15 percent of the total of the LEA’s regular and ARRA Part B Grants to States and Preschool Grants awards to implement CEIS to students in Kindergarten through grade 12 who have not been identified as needing special education and related services, but who need additional academic and behavioral support to succeed in a general education environment. The funds set aside for CEIS may be used by the LEA in FY 2010 or in both FYs 2010 and 2011, as long as the funds are obligated by September 30, 2011.

**LEAs that received a determination of Needs Assistance or Needs Intervention based on “Significant Disproportionality” of race/ethnicity are required to set aside 15 percent of the IDEA Part B ARRA funds for the provision of Coordinated Early Intervening Services.** *Please refer to the correspondence issued earlier this year by the New Jersey Department of Education, Office of Special Education Programs regarding its annual determination of your school district’s implementation of federal and state special education requirements.*

### **Services to Parentally Placed Students with Disabilities in Private Schools (nonpublic)**

- Under 34 CFR §300.133(a) each LEA is required to spend a minimum amount of its subgrants under Part B Grants to States and Preschool Grants programs on children with disabilities parentally-placed in private elementary and secondary schools. This is also required for ARRA special education funds. The amount of the proportional share will be provided when you receive your district allocation letter.

As additional clarification and guidance are provided by the USDOE, it will be disseminated to local districts.

## ATTACHMENT B

### TITLE I RECOVERY Funds

The additional resources for Title I will enable districts to serve more schools and students beyond those currently served and also to help enhance the quality of the services provided.

#### Title I, Part A

The Title I, Part A funds available through the recovery package will be awarded to eligible districts in addition to their annual 2010 Title I, Part A grant. The funds will be allocated using a prescribed formula, resulting in some school districts that received Title I, Part A funds in 2009 being ineligible for the recovery funds. The federal formula for distribution of ARRA funds requires districts to have at least a 5-percent poverty rate (free lunch) to qualify for an allocation. The USDOE has posted preliminary allocations on their web site at [www.ed.gov/about/overview/budget/titlei/fy09recovery/index.html](http://www.ed.gov/about/overview/budget/titlei/fy09recovery/index.html); however, these figures have been adjusted. Actual amounts received by districts will be smaller than shown there due to state-level adjustments to federal Title I allocations. States adjust allocations, for example, to reflect district boundary changes or the creation of new districts, including charter and vocational schools that are not accounted for in the statutory calculations. The adjusted Title I allocations for eligible districts are posted on the NJDOE web site. Please note that these allocations are preliminary and partially based on projected data and therefore, are subject to change.

#### Title I, Part D

Funds will be available in New Jersey for districts that are eligible for Title I, Part D Neglected and Delinquent funds. Eligible districts will be notified shortly of their allocations. Typically, there is one eligible district in each county where a delinquent facility is located.

#### School Improvement, SIA, part a

School Improvement Allocation (SIA, part a) funds are awarded to Title I schools in need of improvement to help implement the school's Title I Unified Plan. These ARRA SIA, part a funds are in addition to the annual Title I improvement awards.

#### Title I Allowable Uses

Uses should be aligned with the core goals of *ARRA* to save and create jobs and to advance reforms, support programs that are sustainable, and support early childhood programs and activities. Uses should also support the needs assessment and priority problems of Title I schools and districts.

Some of the allowable uses for Title I, Part A include the following:

- Establishing a system for identifying and training highly effective teachers to serve as instructional leaders in Title I school wide programs and modifying the school schedule to allow for collaboration among the instructional staff.
- Establishing intensive, year-long teacher training for all teachers and the principal in a Title I elementary school in corrective action or restructuring status in order to train teachers to use a new reading curriculum that aggressively works on improving students' oral language skills and vocabulary or, in some other way, builds teachers' capacity to address academic achievement problems.

- Strengthen and expand early childhood education by providing resources to align a district wide Title I pre-K program with state early learning standards and state content standards for grades K–3 and, if there is a plan for sustainability beyond 2010–11, expanding high-quality Title I pre-K programs to larger numbers of young children.
- Providing new opportunities for Title I school wide programs for secondary school students to use high-quality, online courseware as supplemental learning materials for meeting mathematics and science requirements. Activities within the state high school initiative may qualify.
- Using longitudinal data systems to drive continuous improvement efforts focused on improving achievement in Title I schools.
- Providing professional development to teachers in Title I targeted assistance programs on the use of data to inform and improve instruction for Title I-eligible students.
- Using reading or mathematics coaches to provide professional development to teachers in Title I targeted assistance programs.
- Establishing or expanding fiscally sustainable extended learning opportunities for Title I-eligible students in targeted assistance programs, including activities provided before school, after school, during the summer, or over an extended school year.

#### Fiscal Guidance

The USDOE has issued a guidance document: “Funds under Title I, Part A of the Elementary and Secondary Education Act of 1965, Made Available Under the American Recovery and Reinvestment Act of 2009.” The purpose of this guidance is to provide information about the allocation, use, and reporting of Title I, Part A ARRA funds. The guidance can be accessed at: <http://www.ed.gov/policy/gen/leg/recovery/guidance/title-i.doc>

Additional USDOE guidance on the use of funds and waiver provisions will be issued shortly.

All Title I statutory and regulatory requirements apply to the use of the Title I, Part A recovery funds, including supplement not supplant, equitable services to eligible nonpublic school students and any required reserves (i.e.: parent involvement, supplemental educational services and school choice, district professional development, etc).