

# **2021-2022 American Rescue Plan (ARP) IDEA Allocation**



**DIVISION OF ELEMENTARY  
& SECONDARY EDUCATION**

**presented by  
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# Allocation

- Section 2014(a) of the American Rescue Plan Act of 2021 (ARP) provided the following supplemental funding for Fiscal Year 2022 for the three IDEA formula grant programs described below.<sup>1</sup>
  - 2.58 billion for IDEA Part B Grants to States (611)
  - 200 million for IDEA Part B Preschool Grants (619)

<sup>1</sup><https://www2.ed.gov/policy/speced/leg/arp/arp-idea-fact-sheet.pdf>



# Distribution

- ARP allocations were released in [Commissioner's Memo FIN-22-004](#).
- LEA will receive up to two ARP IDEA allocations:
  - 611 School Age
  - 619 Early Childhood (*if the LEA provides services to the 3-5 age population*)



# October 1 Budget Submission

- LEA will not submit or amend the June 1<sup>st</sup> budget application to account for ARP IDEA funds.
- LEA will be required to submit additional October 1 budgets to DESE-OSE for each ARP IDEA allocation it receives.



# Tracking ARP IDEA funds

- ARP IDEA Fund and Revenue Codes:
  - 611: SOF 6703; Revenue 45603
  - 619: SOF 6704; Revenue 45604
- The separate fund codes will allow the LEA and the SEA to track ARP IDEA expenditures.
  - This information will be important for LEA fiscal audits and fiscal monitoring.
  - The DESE-OSE will monitor ARP IDEA budgets and expenditures in the same manner as typical federal and state special education funds.



# Budgeting ARP IDEA Funds

- ARP IDEA funds must be used only to pay the excess cost of providing special education and related services in accordance with part B of IDEA.<sup>1 2</sup>
- Funds may be used for all allowable purposes under Part B of IDEA and are subject to all requirements and provisions that apply to IDEA funds.<sup>2</sup>

<sup>1</sup>34 C.F.R. §§ 300.705(a) and 300.815; see also 34 C.F.R. § 300.202(a)(2)

<sup>2</sup><https://www2.ed.gov/policy/speced/leg/arp/arp-idea-fact-sheet.pdf>



# Budgeting ARP IDEA Funds

- Private School Proportionate Share (PSPS):
  - Will be calculated using the total initial VI-B and ARP 611 allocations.
  - **The total will be budgeted to the VI-B 611 budget.**
  - LEA will use the same PSPS function codes as in the past.
- CEIS & CCEIS:
  - Will be initially calculated using 15% of the total initial VI-B 611 & 619 and ARP 611 & 619 allocations.
  - **The total will be budgeted to the VI-B 611 budget.**
  - LEA will use the same CEIS or CCEIS function codes as in the past.



# Expenditure Considerations

- Consider sustainability<sup>1</sup>
- Consider a focus on challenges from the pandemic<sup>1</sup>
  - School re-entry
  - Disruption in the education of children with disabilities
  - Mental health services
- Consider focusing on the issue of equity in special education and early intervention services.<sup>1</sup>
- Issues that districts experienced when expending or having ARRA funds audited: busses, playgrounds, and technology.

<sup>1</sup>OSEP June Monthly Technical Assistance  
Call





# ARP IDEA

## Life/Equipment/Construction

- ARP IDEA funds will follow the same 27 month life timeline as the VI-B funds.
- LEA will be required to submit equipment and construction requests when using ARP IDEA funds.



# Adjustment to Local Effort

- Any fiscal year that an LEA's IDEA allocation exceeds the amount the LEA received for the previous fiscal year, under certain circumstances, the LEA may reduce the level of Local, or State and Local, expenditures otherwise required to meet MOE by up to 50 percent of the amount of the excess, as long as the LEA uses the freed up local funds for activities that could be supported under ESEA.<sup>1 2</sup>

<sup>1</sup>section 613(a)(2)(C) of IDEA

<sup>2</sup><https://www2.ed.gov/policy/speced/leg/arp/arp-idea-fact-sheet.pdf>



# LEA Requirements to Reduce MOE

- An LEA may not take this reduction if the SEA determines the LEA is unable to establish and maintain programs of FAPE, or the SEA has taken action against the LEA under section 616 of IDEA.<sup>1</sup>
- An SEA must prohibit an LEA from taking the MOE reduction if the LEA's determination is Needs Assistance, Needs Intervention, or Needs Substantial Support.<sup>1</sup>
- An LEA that is required to budget 15% under CCEIS due to disproportionality will not be able to take advantage of the MOE reduction.<sup>1</sup>

<sup>1</sup><https://www2.ed.gov/policy/speced/leg/arp/arp-idea-fact-sheet.pdf>



# School Age AFR Maintenance of Effort Data

- A reduction due to the increase in the VI-B allocation will fall under section A4. B. of the School Age AFR Maintenance of Effort Data Form on MySped:

B. 34CFR 300.205 allows the MOE 505 Flexibility provision for allowable federal exemptions. Complete the table below, if applicable.

**Note: All fields must be completed according to instructions. If participating in CEIS, please contact SPED Finance before using this reduction toward MOE.**

1. 2019-20 Allocation	\$ 0.00
2. 2018-19 Allocation	\$ 0.00
3. Difference	\$ 0.00
4. Maximum 50% Reduction Amount	\$ 0.00
5. Less Amount Spent for Voluntary CEIS	\$ 0.00
6. Maximum 50% Reduction Amount if CEIS Expended	\$ 0.00
7. Amount Used For 50% Reduction Amount (Cannot exceed #6)	\$ 0.00

Note: Districts that are identified for disproportionality (Required CCEIS) and districts identified as "Needs Assistance" districts for not meeting SPP compliance indicator requirements cannot use 34CFR 300.205 as a means to reduce MOE. Districts with voluntary CEIS must reduce the maximum 50% reduction amount by the amount expended for voluntary CEIS. Districts that utilized 34CFR 300.205 to reduce MOE were required set-aside from operating funds an amount equal to the reduced amount (#7 above). These set-aside funds were required to be for ESEA activities for non-special education students and must have been coded to program 250.



# School Age AFR Maintenance of Effort Data

- Districts who choose to use A4. B. to reduce MOE and have voluntary CEIS can not utilize more than the allowable MOE reduction between both the MOE reduction and CEIS.
  - [Worksheet to assist in calculating MOE reduction and CEIS](#)
- Districts that utilize A4. B. to reduce MOE are required to set-aside, from operating funds, an amount equal to the reduced amount. These set-aside funds are required to be for ESEA activities for non-special education students and must be coded to program 250.



# Helpful Links

- [FACT SHEET: Section 2014 of the American Rescue Plan Act of 2021 and the Individuals with Disabilities Education Act \(PDF\)](#)
- <https://dese.ade.arkansas.gov/Offices/fiscal-and-administrative-services/school-funding/allocations>
- [Worksheet to assist in calculating MOE reduction and CEIS](#)



# Contact Information

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