



## Serving Our Youngest Citizens: A Primer on How Title I and IDEA Federal Stimulus Funds May Be Used for Children Aged Zero Through Five

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The American Recovery and Reinvestment Act of 2009 (ARRA, known as the “federal stimulus”) provides significant new funding for Title I, Part A of the Elementary and Secondary Education Act (ESEA) and the Individuals with Disabilities Education Act (IDEA). Since 1965, Title I has provided federal funding to school districts serving disadvantaged children. Since 1975, IDEA has provided federal funding to states and localities to ensure that all children with disabilities receive a free, appropriate public education.<sup>1</sup> Although, historically, the majority of these federal funds have been used for children in grades K-12, these funds may, and in some cases *must*, be used for children aged zero through five. The influx of federal stimulus dollars into these programs presents schools, school districts, and the State Department of Education with an opportunity to take advantage of the flexibility of these dollars to serve our youngest citizens.

### School Districts Serving Disadvantaged Children

Connecticut will receive a total of \$70.7 million in Title I, Part A ARRA funding.<sup>2</sup> The State Department of Education (SDE) received half of this amount (\$35.4 million) on April 2, 2009;<sup>3</sup> it will receive the other half in September 2009.<sup>4</sup> SDE will distribute these funds to school districts (“local educational agencies,” or “LEAs”) based on a formula accounting for the percentage of low-income children in the district (estimated distributions available at <http://www.sde.ct.gov/sde/lib/sde/pdf/arra/stimulus.pdf>), and school districts will then allocate these funds to schools based on the percentage of low-income children in the school.<sup>5</sup> The ARRA requires school districts to obligate at

least 85 percent of its total FY 2009 Title I, Part A funds, including the ARRA funds, by September 30, 2010, and to obligate *all* of its FY 2009 Title I, Part A funds, including the ARRA funds, by September 30, 2011. School districts must complete an application to receive Title I, Part A funds; SDE expects to have this application available by the end of April 2009.<sup>6</sup>

**The federal government has stated explicitly that it expects Title I ARRA funds to be used, in part, for early childhood programs and activities.<sup>7</sup>**

According to the U.S. Department of Education, “The [Obama] Administration is committed over the long-term to expanding early childhood educational opportunities and creating a more seamless web of high-quality services for parents and children.”<sup>8</sup> This is not a change in policy – since the ESEA’s enactment, expenditures for children from birth to age five have been allowable<sup>9</sup> – but does represent a change in focus.

**The decision to use Title I ARRA funds for children from birth to five can be made at either the district or school level.<sup>10</sup>** Although the Connecticut State Board of Education has stated that one of its goals is high quality preschool for all,<sup>11</sup> ultimately the choice of how to spend funds rests with superintendents and principals. A district may use these funds to serve all eligible, at-risk children in the district, in a portion of the district, or in particular Title I schools.<sup>12</sup> Children are eligible if they live in the enrollment area of the preschool program and they are shown – on the basis of criteria established by the LEA such as teacher judgment, parent interviews, and developmentally appropriate measures of child development – to be at risk of not meeting the state’s academic standards.<sup>13</sup> If there is not

enough money to serve all children, a child's family income can be considered as a way of prioritizing eligibility.<sup>14</sup>

**Title I ARRA funds are very flexible when directed to children from birth to five.** Among other possibilities, these funds may be used to:

- screen children and connect them to services;<sup>15</sup>
- provide comprehensive services;<sup>16</sup>
- provide professional development for teachers working with at-risk young children;<sup>17</sup>
- serve children in preschool programs within public schools *or* in community settings;<sup>18</sup>
- support existing programs, including state-funded programs (such as School Readiness), Head Start, and Even Start.<sup>19</sup>

**Title I ARRA funds do have some restrictions intended to ensure that dollars are spent on quality programming.** For example, although these funds may be directed to a variety of programs, the programs must meet Head Start educational standards.<sup>20</sup> Teachers must be "highly qualified,"<sup>21</sup> and programs must have a parental involvement component.<sup>22</sup> Also, if done at the school (rather than district) level, the program must include plans to facilitate the transition to kindergarten and to coordinate with a range of comprehensive services, including nutrition and violence prevention.<sup>23</sup>

**Title I ARRA funds are also subject to "supplement, not supplant" restrictions, and "maintenance of effort" requirements apply.** In other words, an LEA may not use these funds for an activity that it provided last year with non-federal funds (to do so would be considered "supplanting")<sup>24</sup> and the LEA's combined fiscal effort per student, or the aggregate education expenditures of the LEA and the State, for FY 2009 must be at least 90% of the combined fiscal effort per student or aggregate expenditure for FY 2007.<sup>25</sup> Furthermore, the U.S. Department of Education has strongly recommended (though does not require) that the stimulus money be invested in ways that will have long-term benefits after the federal funding expires (such as quality improvements) rather than in ways that will result in unsustainable continuing commitments (such as simple slot expansion).<sup>26</sup>

## Children with Disabilities

**Connecticut will receive a total of \$132.97 million in IDEA Part B Grants to States ARRA funding, and \$5.1 million in IDEA, Part B Preschool Grants.**<sup>27</sup> SDE received half of each of these amounts (\$66.5 million and \$2.5 million respectively) on April 2, 2009;<sup>28</sup> it will receive the remainder by September 30, 2009.<sup>29</sup> It has announced that it plans to distribute the first installment of these funds to LEAs by the end of April 2009 (estimated distributions available at <http://www.sde.ct.gov/sde/lib/sde/pdf/arra/stimulus.pdf>), and the second half by October 1, 2009.<sup>30</sup> According to federal guidance, LEAs should obligate the majority of these funds during school years 2008-2009 and 2009-2010, and the remainder during school year 2010-2011.<sup>31</sup> All IDEA ARRA funds must be obligated by September 30, 2011.<sup>32</sup>

**IDEA Part B Preschool Grants ARRA dollars *must* be used to serve children with disabilities aged three to five,<sup>33</sup> but IDEA Part B Grants to States ARRA dollars *may also* be used for children aged three to five.<sup>34</sup>** The purpose of both programs is to ensure that children with disabilities have access to high quality education to help them meet challenging standards and prepare them for employment and independent living.<sup>35</sup>

**The decision to use IDEA Part B Grants to States ARRA funds for children aged three to five, and the choice of how to spend IDEA Part B Preschool Grants ARRA funds, are both made at the school district (LEA) level.** The U.S. Department of Education has suggested that at least some of the Part B ARRA dollars be used to 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;<sup>36</sup> SDE has endorsed this suggestion and further recommended that Part B ARRA funds be used, among other things, to provide full-day kindergarten for students with disabilities and implement family literacy initiatives that include adult literacy programs for parents, quality early childhood education for children, and parent and child training on child development issues.<sup>37</sup> School districts are not, however, bound by these recommendations.

### **IDEA Part B ARRA funds are somewhat flexible.**

In general, Part B ARRA funds must be used for the excess costs of providing special education and related services to children with disabilities.<sup>38</sup> However, this covers a wide range of options. In addition to those possibilities recommended by the U.S. Department of Education and SDE, funds may be used for the construction or alteration of facilities or acquisition of equipment, if the Secretary of Education determines that the program would be improved by using funds for these purposes. Also, an LEA may use up to 15 percent of these funds to implement coordinated early intervening services for students in kindergarten through grade 12 who have not been identified as needing special education but who need additional academic and behavioral support.<sup>39</sup>

**IDEA Part B ARRA funds are subject to “supplement, not supplant” restrictions, and, in general, “maintenance of effort” requirements apply.**<sup>40</sup> However, when an LEA's IDEA Part B allocation exceeds its previous year allocation, the LEA may reduce its state or local expenditures on special education by up to 50 percent of the difference between the two years' allocations.<sup>41</sup> Any “freed-up” funds must be spent on activities authorized under ESEA.

### **Infants and Toddlers with Disabilities**

**Connecticut will receive a total of \$4.09 million in IDEA Part C Grants for Infants and Families.**<sup>42</sup> IDEA Part C provides funds to the state lead agency (in Connecticut's case, SDE) to implement statewide systems of coordinated, comprehensive, multidisciplinary interagency programs and make early intervention services available to infants and toddlers with disabilities and their families.<sup>43</sup> SDE received half of this amount (\$2.04 million) on April 2, 2009;<sup>44</sup> it will receive the other half by September 30, 2009.<sup>45</sup>

**Part C ARRA funds may be used for any allowable purpose under Part C of the IDEA, including “the direct provision of early intervention services to infants and toddlers and their families, and implementing a statewide, comprehensive, coordinated, multidisciplinary, interagency system to provide early intervention services (EIS).”**<sup>46</sup> The U.S. Department of

Education has suggested a variety of uses for these funds, including:

- providing in-service training on evidence-based practices to EIS program staff;
- expanding “child-find” activities to better identify children in need of services;
- developing programs to train and support families in working with their infants and toddlers with disabilities and effectively communicating their children's needs;
- supporting development of data systems to improve timely delivery of EIS, the transition of children receiving Part C services to the Part B preschool program, and the tracking of early childhood outcome data;
- obtaining high quality assistive technology devices and providing training to personnel on the use of such devices; and
- developing and implementing a joint state policy to provide EIS with other early childhood and related programs in the state.<sup>47</sup>

The U.S. Department of Education has cautioned that funds should be invested in ways that provide long-term benefits and do not result in unsustainable funding commitments after federal stimulus funds expire.

**IDEA Part C ARRA funds are subject to “supplement, not supplant” restrictions, and “maintenance of effort” requirements apply.**<sup>48</sup>

However, with approval from the Secretary of Education, a State or LEA may treat state fiscal stabilization funds used for early intervention services as non-federal funds for its maintenance-of-effort requirement.<sup>49</sup>

**Connecticut may receive further ARRA funds under IDEA Part C if it applies for and is awarded a State Incentive Grant.** The U.S. Department of Education has reserved \$71 million of the IDEA Part C ARRA funds for State Incentive Grants to provide funds to state lead agencies that elect to carry out the Flexibility to serve Children Three Years of Age until Entrance into Elementary School provision of the IDEA.<sup>50</sup> States must apply for Incentive Grants with their FY 2009 application.<sup>51</sup>

<sup>1</sup> U.S. Department of Education, “American Recovery and Reinvestment Act of 2009: IDEA Recovery Funds for Services to Children and Youth with Disabilities” (April 1, 2009) at 1, available at <http://www.ed.gov/print/policy/gen/leg/recovery/factsheet/idea.html>.

<sup>2</sup> U.S. Department of Education, “American Recovery and Reinvestment Act State Allocations” (April 1, 2009), p.1, available at <http://www.ed.gov/about/overview/budget/statetables/09stbyprogram.pdf>.

<sup>3</sup> U.S. Department of Education, “American Recovery and Reinvestment Act: Initial Release of Funds” (April 2, 2009), available at <http://www.ed.gov/about/overview/budget/budget09/09recoveryinitialrelease.pdf>.

<sup>4</sup> Connecticut State Department of Education, “Title IA Education of the Disadvantaged” (March 2009), p.2, available at <http://www.sde.ct.gov/sde/lib/sde/pdf/arra/finaltitleiatemplate.pdf> (hereinafter “Title IA Education of the Disadvantaged”).

<sup>5</sup> Danielle Ewen, Jennifer Mezey, and Hannah Matthews, “Missed Opportunities? The Possibilities and Challenges of Funding High-Quality Preschool through Title I of the NO Child Left Behind Act,” (Center for Law and Social Policy: March 2005) at 3, available at [http://www.clasp.org/publications/missed\\_opp.pdf](http://www.clasp.org/publications/missed_opp.pdf) (hereinafter “Missed Opportunities?”).

<sup>6</sup> “Title IA Education of the Disadvantaged” at 2.

<sup>7</sup> Conference Report to Accompany H.R. 1 at 456 (February 12, 2009), available at [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_reports&docid=f:hr016.111.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_reports&docid=f:hr016.111.pdf).

<sup>8</sup> U.S. Department of Education, “American Recovery and Reinvestment Act of 2009: Title I, Part A Recovery Funds for Grants to Local Education Agencies” (April 1, 2009) at p.3 available at <http://www.ed.gov/policy/gen/leg/recovery/factsheet/title-i.html>.

<sup>9</sup> “Missed Opportunities?” at 2.

<sup>10</sup> Ibid at 5. Although this document was written prior to the enactment of the ARRA, and describes possible uses for regular Title I funds, we believe it applies equally well to Title I ARRA funds, as we read the published guidance for the use of Title I ARRA funds.

<sup>11</sup> “Title IA Education of the Disadvantaged” at 1.

<sup>12</sup> “Missed Opportunities?” at 7, citing U.S. Department of Education, “Serving Preschool Children Under Title I: Non-regulatory Guidance” (March 4, 2004).

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> “Missed Opportunities?” at 2.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid at 5.

<sup>20</sup> Ibid at 2.

<sup>21</sup> Ibid at 6.

<sup>22</sup> Ibid.

<sup>23</sup> Ibid at 7, citing ESEA §1114(b)(1).

<sup>24</sup> U.S. Department of Education, Office of Elementary and Secondary Education, “Guidance: 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” (April 2009) at p.28, available at <http://www.ed.gov/policy/gen/leg/recovery/guidance/title-i.pdf>. (hereinafter “Guidance: Funds under Title I, Part A”).

<sup>25</sup> “Guidance: Funds under Title I, Part A” at p.24-25. Note that with approval from the Secretary of Education, a State or LEA may treat state fiscal stabilization funds used for elementary, secondary, or post-secondary education as non-federal funds for its maintenance-of-effort requirement. See U.S. Department of Education, Office of Elementary and Secondary Education, “Guidance: 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” (April 2009) at p.27, available at <http://www.ed.gov/policy/gen/leg/recovery/guidance/title-i.pdf>.

<sup>26</sup> U.S. Department of Education, “American Recovery and Reinvestment Act of 2009: Title I, Part A Recovery Funds for Grants to Local Education Agencies” (March 7, 2009) at p.1-2 available at <http://www.ed.gov/print/policy/gen/leg/recovery/factsheet/title-i.html>.

<sup>27</sup> U.S. Department of Education, “American Recovery and Reinvestment Act State Allocations” (April 1, 2009), p.24-25, available at <http://www.ed.gov/about/overview/budget/statetables/09stbyprogram.pdf>. See also State Department of Education, “IDEA (Part B) Children with Disabilities age 3-21 and IDEA (Part B) Preschool Grants” (March 2009), available at <http://www.sde.ct.gov/sde/lib/sde/pdf/arra/ideaonlysheetsupt.pdf>.

<sup>28</sup> U.S. Department of Education, “American Recovery and Reinvestment Act: Initial Release of Funds” (April 2, 2009), available at <http://www.ed.gov/about/overview/budget/budget09/09recoveryinitialrelease.pdf>.

<sup>29</sup> U.S. Department of Education, Office of Special Education and Rehabilitative Services, “Guidance: Funds for Part B of the Individuals with Disabilities Education Act Made Available Under The American Recovery and Reinvestment Act of 2009” (April 2009) at 7, available at <http://www.ed.gov/policy/gen/leg/recovery/guidance/idea-b.pdf>.

<sup>30</sup> State Department of Education, “IDEA (Part B) Children with Disabilities age 3-21 and IDEA (Part B) Preschool Grants” (March 2009), available at <http://www.sde.ct.gov/sde/lib/sde/pdf/arra/ideaonlysheetsupt.pdf>.

<sup>31</sup> U.S. Department of Education, “American Recovery and Reinvestment Act of 2009: IDEA Recovery Funds for Services to Children and Youth with Disabilities” (April 1, 2009) at 2, available at <http://www.ed.gov/print/policy/gen/leg/recovery/factsheet/idea.html>.

<sup>32</sup> Ibid.

<sup>33</sup> Individuals with Disabilities Education Improvement Act of 2004, § 619.

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<sup>34</sup> Individuals with Disabilities Education Improvement Act of 2004, § 611.

<sup>35</sup> Individuals with Disabilities Education Improvement Act of 2004, §§ 611, 619.

<sup>36</sup> U.S. Department of Education, “American Recovery and Reinvestment Act of 2009: IDEA Recovery Funds for Services to Children and Youth with Disabilities” (April 1, 2009) at 3, available at <http://www.ed.gov/print/policy/gen/leg/recovery/factsheet/idea.html>.

<sup>37</sup> State Department of Education, “IDEA (Part B) Children with Disabilities age 3-21 and IDEA (Part B) Preschool Grants” (March 2009), available at <http://www.sde.ct.gov/sde/lib/sde/pdf/arra/ideaonlysheetsupt.pdf>.

<sup>38</sup> U.S. Department of Education, Office of Special Education and Rehabilitative Services, “Guidance: Funds for Part B of the Individuals with Disabilities Education Act Made Available Under The American Recovery and Reinvestment Act of 2009” (April 2009) at 14, available at <http://www.ed.gov/policy/gen/leg/recovery/guidance/idea-b.pdf>.

<sup>39</sup> Ibid at 14-15.

<sup>40</sup> Ibid at 12.

<sup>41</sup> Ibid at 16.

<sup>42</sup> U.S. Department of Education, “American Recovery and Reinvestment Act State Allocations” (April 1, 2009), p.26, available at <http://www.ed.gov/about/overview/budget/statetables/09stbyprogram.pdf>.

<sup>43</sup> U.S. Department of Education, “American Recovery and Reinvestment Act of 2009: IDEA Recovery Funds for Services to Children and Youth with Disabilities” (April 1, 2009) at 1, available at <http://www.ed.gov/print/policy/gen/leg/recovery/factsheet/idea.html>.

<sup>44</sup> U.S. Department of Education, “American Recovery and Reinvestment Act: Initial Release of Funds” (April 2, 2009), available at <http://www.ed.gov/about/overview/budget/budget09/09recoveryinitialrelease.pdf>.

<sup>45</sup> U.S. Department of Education, Office of Special Education and Rehabilitative Services, “Guidance: Funds for Part C of the Individuals with Disabilities Education Act Made Available Under The American Recovery and Reinvestment Act of 2009” (April 2009) at 6, available at <http://www.ed.gov/policy/gen/leg/recovery/guidance/idea-c.pdf>.

<sup>46</sup> U.S. Department of Education, “American Recovery and Reinvestment Act of 2009: IDEA Recovery Funds for Services to Infants and Toddlers with Disabilities” (April 1, 2009) at 2, available at <http://www.ed.gov/print/policy/gen/leg/recovery/factsheet/idea-c.html>.

<sup>47</sup> Ibid at 2-3.

<sup>48</sup> Ibid at 3.

<sup>49</sup> Ibid.

<sup>50</sup> Ibid at 2.

<sup>51</sup> Ibid.