

Announcement- State Fiscal Stabilization Funds or ARRA Education Stabilization Fund-June

**To: Local Education Agencies (LEAs)**

**From: James Apperson, Director**

**Date: May 11, 2010**

**Re: FY 2010 State Fiscal Stabilization Funds-June**

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### **Award**

Title XIV of the American Recovery and Reinvestment Act of 2009 (ARRA) provides more than \$48 billion for states to stabilize their budgets. The State Fiscal Stabilization Fund (SFSF) is a formulaic grant awarded to the State of Arizona, the Governor's Office of Economic Recovery by the U.S. Department of Education. The Governor is pleased to announce that on Tuesday, March 23, 2009 our SFSF Phase II was approved providing K-12 education with the opportunity to partially restore state aid to school districts and charter schools.

Due to the unexpected shortfall as indicated on the April 30, 2010 letter from the Arizona Department of Education, the Governor's Office is working with ADE to fulfill a portion of the June state aid payment to LEAs, specifically nonprofit charter entities, with State Fiscal Stabilization Funds. The Department of School Finance at ADE has calculated award amounts based on state aid payments for June 2010. The purpose of this memo is to 1) give LEAs information regarding the application process so that you may receive funding and 2) distribute the local allocation amounts which LEAs are eligible to apply for.

### **Application**

Federal law requires each LEA to complete an application to receive federal funds. The same rules and regulations for expenditures apply as in the last SFSF Application. Funding can be used for any activity authorized by the following: Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Education Act (IDEA), the Adult Education and Family Literacy Act (Adult Education Act), or the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins Act). Funding cannot be used for facility maintenance costs, capital costs for stadiums or vehicles or office space, nor fund aquariums, zoos, golf courses, or swimming pools.

The application can be accessed through the Department of Education's Grants Management System. LEAs will have to identify how they intend to use the funds by object code with a brief description. LEAs will have to make certain federally required assurances are followed which includes funding, accounting and reporting requirements.



**Applications are open NOW on the Grants Management Enterprise System and are due by noon on May 17, 2010. View the fund alert by clicking here: [FUND ALERT FY 2010 ARRA Education Stabilization Fund-June](#).**

### **Funding**

State Fiscal Stabilization Funds are ARRA monies and therefore were provided to states with the intent of immediately being expended. Arizona's State Fiscal Stabilization Funds may be used to assist LEAs with reductions in their budgets made at the state level. This allocation of State Fiscal Stabilization Funds is to be used to help supplement the June state equalization payment.

LEA award amounts have been calculated based on state aid payment calculations from the Department of School Finance at ADE. For-profit charter schools are not eligible to receive SFSF dollars. Attached are the allocations that eligible LEAs are allotted through this application process. When completing the application, please make sure that the application amount matches the award amount. Also, please ensure that all requested projects have a completion date by September 30, 2010.

Federal cash management laws apply to these funds and each LEA is responsible for complying with these laws. LEAs may want to use the funds to reimburse prior expenditures as it may aid you in simplifying cash management requirements. Funds will be distributed through the Department of Education's Grants Management Enterprise. As with all other federal grants, funding will be processed on the first of each month. Therefore, the earliest LEAs can receive funds is June 1, 2010. LEAs that submit applications after May 17 at noon may receive funds after July 1, 2010.

Unlike past SFSF applications, LEAs have the option of drawing down funds in one single payment or over multiple installments. This flexibility is being offered for the FY 2010 ARRA Education Stabilization Fund-June grant because those receiving funding are nonprofit charter entities and it is understood that accessing funding over the summer may be critical for these entities. The full allocation, however, must be completely drawn down and expended by September 30, 2010. For more information please review the Supplemental Data section of the application.

Further instructions, rules and regulations are located in the application. Detailed information regarding SFSF can be found here: [ARRA Recipient Reporting Requirements](#) and the [Governor's Office of Economic Recovery](#). If you have technical questions regarding the Grants Management System please contact Cindy Palmer (Program Project Specialist III) at 602-542-3695 or [grants@az.ed.gov](mailto:grants@az.ed.gov). If you have questions regarding allocations please contact School Finance, Xin Liu (Fiscal Operation Manager) at 602-364-2262 or [xin.liu@azed.gov](mailto:xin.liu@azed.gov). If you have questions related to allowable expenditures or the State Fiscal Stabilization Fund grant please contact the Governor's Office of Economic Recovery, Kenda DeLeon (Grants Management Analyst) at 602-542-4243 or [kdeleon@az.gov](mailto:kdeleon@az.gov).