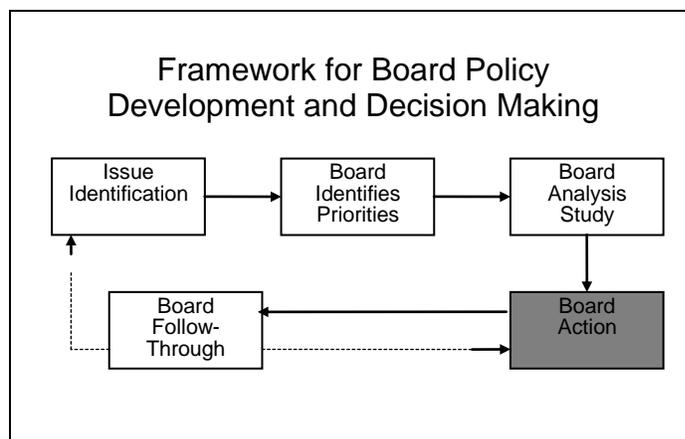


Iowa State Board of Education

Executive Summary

November 18, 2009



Agenda Item: Fiscal Year 2009 and Fiscal Year 2010 Budget Amendment Approval for Area Education Agencies (AEAs)

Iowa Goal: All K-12 students will achieve at a high level.

Equity Impact Statement: Adequate and well-managed resources enable equal access to quality programs for all students.

Presenter: None (Consent agenda)

Attachments: 1

Recommendation: It is recommended that the Board approve the AEA budget amendments for fiscal year 2009 and fiscal year 2010.

Background: The AEAs were not aware that they would be receiving American Recovery and Reinvestment Act (ARRA) IDEA Part B funds at the time that their FY09 and FY10 budgets were approved by the State Board of Education. These ARRA funds flow through to local school districts to support special education. Receiving this funding and flowing it through to local school districts may cause AEAs to exceed the level of expenditures approved by the State Board, which could result in an audit comment. Therefore, the Department is asking the State Board to increase the approved budgeted expenditures for FY09 and FY10 to the extent of the ARRA IDEA Part B funding received.

Additional information including a table of the final amounts to be approved is attached.

IDEA, PART B ARRA

American Recovery and Reinvestment Act

**For sub-grants to school districts supported from funds available
under the provisions of the**

**Individuals with Disabilities Education Act (IDEA)
through the Area Education Agency (AEA)**

**For the provision of Special Education and Related Services
To Children and Youth with Disabilities**

Subgrant amounts were announced in late April 2009 with information posted to the Department of Education website. When the Department of Education received the grant award document, a written notification indicating the official amount of grants was forwarded to Area Education Agencies (AEA) and subsequently to local school districts along with the appropriate application forms. Information is available on the Iowa Department of Education's Website or through the AEA.

Payments to local school districts have been scheduled for the entire run of ARRA. There will be five payments. The first payment was made in late May 2009. The remaining payments will occur on or near October 1st and April 1st in 2009-2010 and 2010-2011. All funds will be disbursed by the end of April 2011.

The receipt of ARRA IDEA Part B funding by the AEAs to be flowed through to the local school districts was not known at the time that the AEAs submitted their budgets to the state board for approval for budget years 2008-2009 and 2009-2010. The flow through is reported as an expenditure by the AEA in its financial records. Receiving the funding to be flowed through to local school districts may cause one or more AEAs to exceed the level of expenditures approved by the state board in previous actions. When an AEA exceeds approved expenditures, it receives a comment in its audit, and the difference between budgeted and actual is reported in a required financial statement within the audit. This situation could cause a public perception that the AEAs excessively overspent or mismanaged their budgets. Because the AEA did not know that the funding would be received, and the AEA was directed to pay the funding to its local school districts as soon as possible, the Department is asking the State Board to increase the approved budgeted expenditures for budget years 2008-2009 and 2009-2010 to the extent of the ARRA IDEA Part B funding received. A table of the final amounts is below.

	2009 Approved Budget	2009 Prorata Reduction	2009 ARRA Budget Amendment	2009 Proposed Amended Budget
AEA 1	25,172,370	721,387	960,929	25,411,912
AEA 8	30,101,396	751,765	941,892	30,291,523
AEA 267	82,476,232	1,401,891	1,898,064	82,972,405
AEA 9	36,135,231	1,021,719	1,479,958	36,593,470
AEA 10	52,108,993	1,287,104	1,954,601	52,776,490
AEA 11	83,755,294	2,272,296	3,665,546	85,148,544
AEA 12	34,851,886	860,157	1,230,857	35,222,586
AEA 13	30,004,333	636,419	897,886	30,265,800
AEA 14	8,545,589	233,702	298,759	8,610,646
AEA 15	30,866,830	813,560	1,138,856	31,192,126
Total	414,018,154	10,000,000	14,467,348	418,485,502

	2010 Approved Budget	2010 Prorata Reduction	2010 ARRA Budget Amendment	2010 Proposed Amended Budget
AEA 1	25,755,672	808,811	1,921,858	26,868,719
AEA 8	30,518,224	838,852	1,883,784	31,563,156
AEA 267	83,674,344	1,585,281	3,796,128	85,885,191
AEA 9	37,249,362	1,158,340	2,959,916	39,050,938
AEA 10	52,257,791	1,475,040	3,909,202	54,691,953
AEA 11	85,763,128	2,618,718	7,331,092	90,475,502
AEA 12	35,857,758	967,775	2,461,714	37,351,697
AEA 13	30,020,150	720,816	1,795,772	31,095,106
AEA 14	8,502,819	261,802	597,518	8,838,535
AEA 15	31,432,541	919,411	2,277,712	32,790,842
Total	421,031,789	11,354,846	28,934,696	438,611,639