



State of New Jersey  
DEPARTMENT OF EDUCATION  
PO Box 500  
TRENTON, NJ 08625-0500

CHRIS CHRISTIE  
Governor

KIM GUADAGNO  
Lt. Governor

CHRISTOPHER D. CERF  
Acting Commissioner

**TIME SENSITIVE**

Distribute to IDEA-ARRA Grant  
Project Managers

August 15, 2011

TO: School Business Administrators/Board Secretaries

FROM: Barbara Gantwerk, Assistant Commissioner  
Division of Programs and Operations

SUBJECT: Close Out Procedures for the Individuals with Disabilities Education Act -  
American Recovery and Reinvestment Act (IDEA-ARRA) Grants

The project obligation period for the IDEA-ARRA ends August 31, 2011. All obligations must be made by this date. It is anticipated that the IDEA-ARRA final report will be available in September. In accordance with the Commissioner's memo of April 26, 2011, all obligations must be liquidated and reported within 45 days of the close of the project period.

Closing out the IDEA-ARRA is similar to that of the regular IDEA grants with the exception of unexpended nonpublic proportionate shares and unexpended Coordinated Early Intervening Services funds for those districts that were required to conduct a program.

Within the regular IDEA Grants (EWEG), two-year old nonpublic proportionate share funds are applied against public expenditures automatically as a function of the final report. This is permissible assuming that the district has consulted with the nonpublic schools and tried to expend the funds by providing services to students. Districts are required to certify this consultation in the final reports. Normally, within the regular grants, unexpended two-year old share funds transfer and are applied against public expenditures, thereby freeing up current grant public IDEA funds for rollover.

**The IDEA-ARRA grant has no provision to carryover funds into the next fiscal year. The state has received guidance from the United States Department of Education (USDE) indicating that there is a process that may be followed to apply public expenditures against unexpended nonpublic share funds.**

If a district knows that it will not be using all of its proportionate share by August 31, taking into account that it has met all of the grant requirements for the nonpublic share including consultation, the district should start identifying other allowable **expenditures** under the regular IDEA 2011 against which they can liquidate those funds. This can be done towards the end of the obligation period and during the 45 day liquidation period. This can include **reclassification of expenditures** made against 2011 funds back to the ARRA funds (Basic and/or Preschool). This then frees up FY 2011 funds. Please note that this is moving *existing expenditures* (not obligations or new purchase orders). When completing the IDEA 2011 Final Report, any items

that have been reclassified will not be reported as expended and the district will increase its overpayment/carryover into the FY 2012 year.

This is not the case with the districts that have been identified as **required** to provide a Coordinated Early Intervening Services (CEIS) program. In the case of those districts that were required for CEIS, all unexpended CEIS funds will be returned or released.

Districts that opted to conduct a CEIS program are not required to spend the entire amount on the CEIS project and may apply the unexpended funds against other public expenditures. Districts that are doing this should complete an amendment prior to August 15 to show that the CEIS expenditures will be lower than anticipated.

Questions surrounding these requirements may be directed to Ms. Patricia Holcomb-Gray in the Office of Special Education at [patricia.gray@doe.state.nj.us](mailto:patricia.gray@doe.state.nj.us).

c: Christopher D. Cerf  
Andrew Smarick  
David Hesper  
David Corso  
David Joye  
Pam Castellanos  
Anne Corwell  
Executive County Superintendents  
Executive County School Business Administrators  
County Supervisors of Child Study  
NJLEE Group  
Garden State Coalition  
District Superintendents of Schools