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DEPARTMENT OF EDUCATION
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CHRISTOPHER D. CERF
Acting Commissioner

April 26, 2011

TO: Chief School Administrators
Charter School Lead Persons

FROM: Christopher Cerf 
Acting Commissioner

SUBJECT: Unspent ARRA Funds – In Jeopardy

I am writing to you regarding an important issue involving the expenditure of ARRA Title I, School Improvement and IDEA funds. These ARRA funds were specifically provided to districts to meet the needs of students who have disabilities and students in Title I schools. The federal government provided these funds because of the unique needs of these populations and the belief that schools could use this infusion of funds to improve the educational programs for these students.

The economic climate in this state has been quite difficult and these ARRA funds were welcomed by the state and districts to provide for additional programs and services, professional development, equipment, and capacity building. These ARRA funds were made available for a two year period only and any unspent funds are to be returned to the federal government, as there is no provision to carryover any funds that have not been spent by August 31, 2011.

To date, over \$200 million remains in unreimbursed funds. While in some districts the funds have been spent and reimbursement received, in others, the unexpended fund percentage is as high as 100 percent. Your district has been identified as having unreimbursed funds as detailed on the ARRA spreadsheet that is posted on the New Jersey Department of Education (NJDOE) web site at: <http://www.nj.gov/education/arra/>.

The department applauds the prudent and effective use of resources, including these federal funds. However, given the needs of special education and Title I populations and the economic situation in New Jersey, it would be ill-advised to return these funds unspent to the federal government. While I understand that some districts may have spent the funds, but not yet requested reimbursement, the fact remains that districts are not making the reimbursement requests and thus not receiving the funds.

Districts that do not encumber these funds by August 31, 2011 will not be able to receive reimbursement, and the NJDOE will be required to return the unused funds to the federal government. Therefore, it is absolutely critical that you use these funds as intended in the grant applications you submitted and also that you submit reimbursement requests in a timely manner for the expenditures incurred for activities that you have already conducted before the August 31, 2011 deadline.

The NJDOE will post the ARRA monthly reports on the allocations, reimbursements and balances in these accounts on the NJDOE website so that you can monitor your district's management of your ARRA funds. I urge you to carefully review your ARRA fund balances and grant administration practices to ensure that your students and all the students of New Jersey benefit from the entire \$372 million in IDEA, \$173 million in Title I and \$7 million in School Improvement funds.

CDC\BG\S\ARRA\reimbursement memo April 2011.docx

c: Members, State Board of Education
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