

Education, April 24, 2009: [Updated SFSF Guidance from the Virginia Department of Education](#); State Superintendent releases additional clarifying information regarding allowable uses

Earlier today, April 24, 2009, Dr. Pat Wright released the following summary and [attached document](#).

Funds Not Intended for Across-the-Board Bonuses or Across-the-Board Salary Increases

The Virginia Department of Education has been asked to provide guidance on use of SFSF for the purpose of providing across-the-board bonuses or across-the-board salary increases to all school division employees. The use of SFSF funds to provide across-the-board bonuses or across-the-board salary increases for employees is contrary to the intent of ARRA and is not consistent with the provisions of the Elementary and Secondary Education Act (ESEA) dealing with differentiated compensation for educators in hard-to-staff schools and critical shortage areas.

On page 21 of the USED SFSF guidance document, Question III-D-8 permits the use of SFSF to improve teacher effectiveness and in turning around low-performing schools through compensation strategies. The Virginia Department of Education does not interpret this guidance to include across-the-board compensation practices. Teacher recruitment and retention are targeted activities that are not addressed through across-the-board bonuses or across-the-board salary increases. If your local governing bodies support such payments, local funds would be a better source for this purpose. Please keep in mind that state and local expenditures of stimulus funds will be reported publicly on federal and state Web sites.

Update to Technical Assistance Document Outlining Allowable ARRA Expenses

The U.S. Department of Education (USED) has been clear in its guidance that formula funds under ARRA Title I, Part A, and ARRA IDEA may be used only for expenses that are permitted under the regular Title I, Part A, and IDEA programs. However, State Fiscal Stabilization Funds (SFSF) may be used for any allowable expense under the Elementary and Secondary Education Act (ESEA), the Individuals with Disabilities Act (IDEA), the Carl F. Perkins Career and Technical Education Act, and the Adult Education and Family Literacy Act.

In a Superintendent's ARRA Information Alert dated March 27, 2009, I included a technical assistance document that gave examples of allowable expenses of funds for all of the programs noted above. USED's continued guidance has led us to update that document, with a revised date of April 24, 2009. I would like to call your attention to information that has been added or changed related to the following areas:

- New construction – Pages 4 and 5
- School nutrition programs – Page 5
- Purchase of specially designed school buses for students with disabilities – Page 29

Permitted under Regular and ARRA IDEA, Part B funds, with prior approval from the Virginia Department of Education – See Superintendent's Memorandum #090-09, dated April 3, 2009, granting the required prior approval to use ARRA IDEA, Part B funds (only) for the purchase of equipment used to provide special education or related services for children with disabilities, including school buses designed specifically for children with disabilities

[\[www.doe.virginia.gov/info_centers/administrators/superintendents_memos/2009/090-09.shtml\]](http://www.doe.virginia.gov/info_centers/administrators/superintendents_memos/2009/090-09.shtml)

Not permitted as a use of State Fiscal Stabilization Funds even though IDEA activities in general are allowable, because the SFSF specifically prohibit purchase or upgrade of vehicles

- Inclusion of activities under ESEA Title VIII – Impact Aid, as allowable expenses under the SFSF – Page 21

- Addition of “adaption of space” as an allowable expense to several of the programs

Clarification of Use of Funds for ARRA Equipment Assistance Grants for School Nutrition Programs

Superintendent's Memorandum # 094-09, dated April 10, 2009, announced the ARRA Equipment Assistance Grants for School Nutrition Programs. This grant program is administered by the U.S. Department of Agriculture (USDA) rather than the U.S. Department of Education (USED) and, therefore, has technical assistance documents and guidance issued by USDA. School divisions participating in the National School Lunch Program (NSLP) may apply competitively for the ARRA equipment assistance grant funds. The grant application and technical assistance documents are posted on the VDOE ARRA Web site. The application deadline is May 11, 2009.

www.doe.virginia.gov/funding_grants/arra/snp_equipment_assistance

The USDA's questions and answers (Q & As) are part of their technical guidance documents that address allowable use of these funds.

[Equipment Assistance Grant Questions & Answers - issue 1](#) and [Equipment Assistance Grant Questions & Answers - issue 2](#)

Several school divisions have asked whether the equipment assistance grant funds can be used for administrative costs and indirect costs. The USDA guidance documents referenced above clearly indicate that the equipment assistance funds may not be used for administrative costs or indirect costs.

-The ARRA does not provide for any portion of the state's allocation to be used for administrative purposes at either the state or local level. (See Question #1)

-The ARRA equipment assistance grant funds are to be used solely to purchase needed school food service equipment and may not be used to pay indirect costs, or audit set-asides. (See Question #42).

Please also note that an LEA may use State Fiscal Stabilization Funds (SFSF) to modernize, renovate, or purchase (new) equipment for the cafeteria including the kitchen and food preparation and service areas within schools. However, an LEA may not use SFSF funds to improve stand-alone facilities that prepare meals at a central location.

If you need additional guidance or further information, please e-mail the Director of School Nutrition Programs, Catherine Digilio-Grimes at NSLPEquipmentGrant@doe.virginia.gov.

Status of Funding Requests Made Via Virginia's ARRA Web Portal (Stimulus.Virginia.gov)

On Feb. 10, 2009, in anticipation that Virginia would soon receive funding from the American Recovery and Reinvestment Act (ARRA), Virginia launched a Web portal (Stimulus.Virginia.gov) to gather project ideas for potential funding from the discretionary components of the federal stimulus package. Over 9,000 project requests were entered into the database. Numerous school divisions entered requests for consideration, primarily around school repairs, modernization, and construction. During the 2009 legislative session, the General Assembly designated all of the State Fiscal Stabilization Funds (SFSF), which included the Governor's discretionary funds. At this point, all of the SFSF from the education component have been allocated directly to school divisions. These funds may be used for school repairs, modernization, and construction projects as permitted in the U.S. Department of Education's (USED) guidance documents. As you proceed in your budget development to accommodate the ARRA funding, I wanted to let you know that there is no additional discretionary funding to support requests you may have made via the Web portal. I encourage you to monitor Stimulus.Virginia.gov for competitive grant opportunities that may also help.

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