



**DC Office of the State Superintendent of Education
American Recovery and Reinvestment Act of 2009**

**State Fiscal Stabilization Fund (SFSF) Guidance
for the District of Columbia's Public Charter Schools**

Version 2.0

December 16, 2009

Introductory Note

On December 11, 2009, the Office of the State Superintendent of Education (OSSE) released detailed guidance on the State Fiscal Stabilization Fund program. The following is an updated version of the December 11th guidance incorporating answers to questions raised by LEAs during OSSE's two SFSF webinars conducted on December 9th and 10th. OSSE intends to periodically incorporate new questions and answers into a revised version of the complete guidance document. If you are interested in commenting on this guidance, please send your comments to OSSE.ARRA@dc.gov.

The answers to the questions below modify and supersede the answers in the initial guidance released December 11, 2009.

Key Highlights:

- **All charter LEAs** must submit a completed **SFSF Application** to OSSE.Reimbursement@dc.gov **by 5:00 pm Monday, December 21, 2009**.
- LEAs will receive both Government Services (CFDA No. 84.397) and Education Stabilization (CFDA No. 84.394) funding in the current school year (FY 2010).
- SFSF funds will be disbursed to Charter LEAs on January 15th and April 15th, 2010 as part of the quarterly UPSFF payments.
- SFSF funds are NOT additional funds, but rather supplement local funding (UPSFF) for LEAs to minimize the effect on LEAs of local budget reductions.
- Please contact Jeremy Skinner (Jeremy.Skinner@dc.gov or 202-724-2343) with questions.

Section 1: General Guidance**1.1 What is the State Fiscal Stabilization Fund (SFSF) program?**

The Stabilization program is a new, one-time appropriation of approximately \$48.6 billion nationwide that the U.S. Department of Education has awarded to Governors to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services. To receive SFSF funds, states must commit to advance essential education reform in four areas:

- (1) making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need;
- (2) establishing pre-K-to-college-and-career data systems that track progress and foster continuous improvement;
- (3) making progress toward rigorous college-and career-ready standards and high-quality assessments that are valid and reliable for all students, including limited English proficient students and students with disabilities; and
- (4) providing targeted, intensive support and effective interventions for the lowest-performing schools.

1.2 What are the two components of the Stabilization program?

The two components of the Stabilization program are the Education Stabilization Fund (CFDA No. 84.394) and the Government Services Fund (CFDA No. 84.397). By statute, the Education Stabilization fund comprises 81.8% of a State's total SFSF allocation and the Government Services fund comprises 18.2%.

1.3 What is the District of Columbia's SFSF allocation?

The District of Columbia has been allocated \$89.4 million in SFSF funds. OSSE, as the prime recipient, received the first disbursement of SFSF funds in June 2009 after submitting a Phase I SFSF application (\$48.9 million Education Stabilization Fund dollars and \$16.3 million Government Services Fund dollars). OSSE must submit a Phase II SFSF Application in January 2010 and receive approval of the application to receive the remaining \$24.1 million in Education Stabilization funding from the Department of Education.

1.4 Which local entities will receive SFSF funds?

Local Education Agencies (LEAs), the University of the District of Columbia (UDC), and the District of Columbia's Department of Housing and Community Development (DHCD) will receive State Fiscal Stabilization Funds.

1.5 Which SFSF funds will LEAs receive?

LEAs will receive both Education Stabilization and Government Services funds. OSSE will disburse Government Services funds to charter LEAs in January 2010 and Education Stabilization funds to charter LEAs in April 2010.

1.6 What is the deadline for obligating SFSF funds?

SFSF funds remain available for obligation until September 30, 2011. A chart indicating when an obligation occurs for various types of activities is provided in the Education Department General Administrative Regulations (EDGAR) at 34 C.F.R. 76.707.

Section 2: Applying for SFSF Funds**2.1 Must charter LEAs complete an application to receive SFSF funding?**

Yes. All charter LEAs must submit a completed SFSF application by 5:00 pm EST Monday, December 21, 2009. Charter LEAs must email a signed, pdf copy as well as a soft copy to SFSF.App@dc.gov.

2.2 Does the federal government require LEAs to complete a SFSF application?

Yes. LEAs are required by the Education Department General Administrative Regulations (EDGAR) at 34 C.F.R. 76.301 to have on file with the State an application that contains the assurances in section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e). Among other things, the LEAs must assure that it will (1) administer the program in accordance

with all applicable statutes and regulations and (2) use fiscal control and fund accounting procedures that will ensure proper disbursement of, and accounting for, the funds. Finally, given administrative responsibilities over the Stabilization program, LEAs may further be required to describe how they intend to use their Stabilization funds. This helps States ensure that LEAs are expending their funds on activities authorized under the ARRA.

2.3 What does the SFSF application entail?

LEAs must provide contact information, sign ARRA related assurances, and provide both narrative descriptions and budgets accounting for how they will spend their SFSF funds. LEAs must prepare separate budgets for the Education Stabilization and Government Services allocations.

2. What happens if an LEA does not submit an application to OSSE by December 21, 2009?

Federal regulations and non regulatory guidance dictate that OSSE must have an approvable SFSF application from LEAs to issue funds. LEAs that do not submit SFSF applications by December 21, 2009 will NOT receive SFSF funds as part of their January and/or April UPSFF payment.

Section 3: Awarding and Disbursing of SFSF Funds

3.1 How will OSSE disburse SFSF funds to charter LEAs? (REVISED)

A portion of charter LEAs' January 15, 2010 and April 15, 2010 UPSFF payments will be funded with SFSF funds. The January payment will contain Government Services Fund dollars and the April payment will contain Education Stabilization Fund dollars. Please note the SFSF awards are not in addition to a charter LEAs' scheduled UPSFF payment, rather the SFSF funds are merely filling a budget gap caused by local budget cuts in FY09. Charter LEAs are still receiving the same scheduled UPSFF quarterly payment; however, for the January and April disbursements the funding will be a combination of both local and federal dollars.

3.2 Why are LEAs receiving SFSF funds as part of their UPSFF payments? (NEW)

The District is using SFSF federal funds to subsidize local cuts to LEAs' FY 2010 UPSFF payments. Each LEA will receive payments based on the current levels of funding under the UPSFF in FY 2010; however, instead of being paid entirely with local dollars, the January and April 2010 payments will contain a combination of local and federal dollars. The SFSF funds will only subsidize the UPSFF payments; they do not restore funding for other District cuts charter LEAs experienced in FY 2010.

3.3 How will receiving federal funds as part of the UPSFF payments affect LEAs? (NEW)

There are two key consequences for LEAs. First, LEAs must report on the portion of their UPSFF payment paid with federal funds. OSSE recognizes this is the first time LEAs have been required to report on UPSFF payments and in turn will provide additional technical assistance to assist LEAs. Second, LEAs must consider the federal portion of their UPSFF payments when determining compliance with the Federal Single Act Audit. All LEAs expending \$500,000 or more in federal funds during a fiscal year must conduct an A-133 Single Audit in addition to any regular audit. The A-133 Single Audit is an organization-wide audit that includes both the LEA's financial statements as well as its federal awards. Please see the Office of Management and Budget's (OMB's) Circular [A-133 Compliance Supplement](#) for more information.

3.4 How will OSSE determine LEAs' SFSF allocations? (REVISED)

Federal law requires that all states award Education Stabilization funds to LEAs through the State's primary elementary and secondary education funding formulae. In accordance, the District will determine LEAs' SFSF allocations based on the District's Uniform Per Student Funding Formula (UPSFF). The District's UPSFF is linked to enrollment and is used to determine annual operating funding for the District's LEAs. The formula provides a "foundation level" of funding for each student and then adds "weights" for students at certain grade levels and for students with special needs. OSSE will determine LEAs' SFSF allocations in December 2009 based on certified SY09-10 enrollment data.

3.5 Will charter LEAs receive SFSF funds via reimbursement like ARRA Title I, IDEA, and McKinney Vento funds?

No. Charter LEAs will not receive Education Stabilization and Government Services funds via reimbursement. Instead, charter LEAs will receive two separate SFSF payments via direct deposit /check: one Government Services payment and one Education Stabilization payment. Charter LEAs will spend the federal funds and then subsequently report the expenditures to OSSE. In contrast, for ARRA Title I, IDEA, and McKinney Vento grants, charter LEAs must spend local dollars and then submit their expenditures to OSSE to receive reimbursement with the appropriate federal funds. The difference between SFSF and other ARRA funds is that LEAs do not need to spend their local dollars and then wait for reimbursement. This difference is due to the different purpose of SFSF funds, which is to make up for reductions in the amount of local funding available to provide for general education programs.

3.6 Will OSSE issue Grant Award Notices (GANs) for the SFSF funds? (NEW)

Yes. Each LEA will receive two GANs: one for the Education Stabilization Fund and one for the Government Services Fund. LEAs will receive their preliminary SFSF GANs once OSSE has reviewed and approved their SFSF Applications. The award amounts on LEAs' Preliminary Education Stabilization GANs will differ from the total allocation that LEAs are scheduled to receive. To date, OSSE has received 100% of its Government Services Fund allocation from the Department of Education, but only 67% of its Education Stabilization Fund. In turn, OSSE may

not authorize LEAs to obligate funds in excess of the funds allocated to us from the Department of Education. OSSE will receive the remaining 33% of our Education Stabilization allocation from the Department of Education upon approval of our Phase II SFSF Application due January 11, 2009. Once OSSE receives the remaining Education Stabilization funds, we will issue Final GANs to LEAs for their entire award amount. LEAs will not have to submit revised SFSF budgets to OSSE since their initial SFSF application includes a budget for their entire projected allocation.

Section 4: Uses of State Fiscal Stabilization Funds by LEAs

4.1 For what purposes may an LEA use SFSF (Education Stabilization and Government Services) funds?

LEAs have a great deal of flexibility in determining how to best use SFSF funds. LEAs may use the funds for any activity authorized under the Elementary and Secondary Act (ESEA), Individuals with Disabilities Act (IDEA), Adult Education and Family Literacy Act (AEFLA), Perkins Act or Impact Aid (*see Title VIII*), consistent with State and local requirements, subject to ARRA and other applicable Federal requirements, including the limited prohibitions referenced in 4.3.

4.2 Do you have any examples of how LEAs may use Education Stabilization funds under Impact Aid? (NEW)

LEAs (including charter school LEAs) have considerable flexibility in determining how best to use Education Stabilization funds. As stated previously, an LEA may use these funds for, among other things, activities that are authorized under the ESEA. Because the ESEA includes the broad Impact Aid authority (*see Title VIII of the ESEA*), an LEA may use Education Stabilization funds for activities that would be allowable under Impact Aid. This flexibility applies to all LEAs that receive Education Stabilization funds, and is not limited to those LEAs that also receive Impact Aid funds.

Most funds awarded under Impact Aid are considered to be general aid to LEAs. Thus, under the Impact Aid authority, an LEA may use Education Stabilization funds for educational purposes consistent with State and local requirements, subject to ARRA and other applicable Federal requirements, including the limited prohibitions referenced in 4.3. An LEA may use Education Stabilization funds to support both current expenditures and other expenses such as capital expenditures. Among other things, Education Stabilization funds may be used for activities such as:

- Paying the salaries of administrators, teachers, and support staff
- Purchasing textbooks, computers, and other equipment
- Supporting programs designed to address the educational needs of children at risk of academic failure, limited English proficient students, children with disabilities, and gifted students
- Meeting the general expenses of the LEA

4.3 What are the statutory prohibitions on an LEA's use of SFSF Funds? (REVISED)

Section 14003(b) of the ARRA prohibits an LEA from using SFSF funds for –

- Payment of maintenance costs;
- Stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;
- Purchase or upgrade of vehicles;
- Improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities;
- School modernization, renovation, or repair that is inconsistent with State law;
- Financial assistance for students to attend private elementary or secondary schools, unless the funds are used to provide special education and related services to students with disabilities, as authorized by the IDEA; or
- Restoring or supplementing a “rainy day” fund.

In addition, no Stabilization funds (either Education Stabilization funds or Government Services funds) may be used to provide financial assistance to students to attend private elementary or secondary schools, unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA (Section 14011 of the ARRA).

Please consult section 1604 of the ARRA to view all prohibitions on the use of Stabilization funds.

4.4 May the State direct how an LEA uses its SFSF funds?

No. ARRA gives LEAs considerable flexibility over the use of these funds, neither the Mayor nor OSSE may mandate how an LEA will or will not use the funds.

4.5 In addition to restoring activities or services that were eliminated as a result of budget reductions, how might an LEA use its SFSF funds to advance reforms?

The U.S. Department of Education encourages LEAs to use SFSF funds to make progress in areas related to the four education reform assurances in the State's Stabilization application and to lead to improved results for students, long-term gains in school system capacity, and increased efficiency and effectiveness.

Examples of activities that an LEA might support with its funds in order to advance reform include:

1. *Improving teacher effectiveness and the equitable distribution of highly qualified teachers* by:
 - Establishing fair and reliable evaluation systems that provide feedback, help educators improve, and ensure that poor performers are dismissed;

- Establishing a system for identifying and training highly effective teachers to serve as instructional leaders and modifying the school schedule to allow for collaboration among the instructional staff; and
- Implementing innovative strategies for identification of, advancement of, and compensation for highly effective teachers and leaders.

2. *Establishing data systems and using data for improvement, including:*

- Strengthening the use of longitudinal data systems to drive effective decision-making and continuous improvement efforts; and
- Developing and providing intensive professional development on use of data to improve instruction.

3. *Turning around the lowest-performing schools by:*

- Attracting teams of committed educators who are compensated for taking on new assignments and roles in a school in corrective action or restructuring;
- Extending time for learning, including activities provided before school, after school, during the summer, or over an extended school year;
- Providing intensive, year-long teacher training in reading that aggressively works on improving students' oral language skills and vocabulary or, in some other way, builds teachers' capacity to address academic achievement problems;
- Strengthening and expanding early childhood education;
- Providing intensive training to all teachers in new curriculum and the use of assessment data to improve instruction; and
- Using high-quality, on-line courses as supplemental learning materials to help secondary students meet core content requirements.

4.6 To what extent may an LEA use SFSF funds to support early childhood education programs and services?

An LEA has considerable flexibility in using Education Stabilization funds to support early childhood programs and services as authorized activities under the ESEA. For example, under Title VIII of the ESEA (Impact Aid), an LEA may support pre-K programs, even if pre-K is not considered part of “elementary education” under State law.

4.7 May an LEA use Education Stabilization funds for modernizing, renovating, or repairing public school facilities?

Yes. Under section 14002(a) of the ARRA, LEAs (including charter school LEAs) may use Education Stabilization funds for modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green-

building rating system.¹ In conducting these activities, LEAs are encouraged to consider how schools might be adapted to better accommodate the needs of the community and serve as community centers.

As noted in the response to Question III-D-2, however, there are certain prohibitions that apply to an LEA's use of Education Stabilization funds, including prohibitions against using funds for: (a) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public; (b) improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities; and (c) school modernization, renovation, or repair that is inconsistent with State law.

In addition, if an LEA uses Education Stabilization funds for modernization, renovation, or repair of public school facilities, it must comply with specific requirements relating to the use of American iron, steel, and manufactured goods used in the project. (See Section 1605 of the ARRA.)

4.8 What is meant by the term “modernization, renovation, or repair”?

The term “modernization, renovation, or repair” includes altering, remodeling, repairing, or retrofitting an existing facility. Depending on the nature of the project, permissible activities might involve work related to electrical systems, plumbing systems, sewage systems, heating, ventilation or air conditioning systems, the installation of energy- efficient windows, the repair or replacement of roofs, asbestos abatement or removal, bringing facilities into compliance with fire and safety codes, making facilities accessible, or upgrading facilities to support new programs or services.

4.9 May an LEA use SFSF funds for new construction activities?

Yes. LEAs may use both Education Stabilization and Government Services funding for new construction activities. The Education Stabilization Fund authorizes construction of new school buildings under the Impact Aid construction program in section 8007 of the ESEA. The Government Services Fund authorizes construction based on the broad uses of this funding stipulated in Section 14002(b)(1) of the ARRA.

An LEA may not use SFSF funds for construction of (or modernization, renovation, or repair of) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public, or stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities. If an LEA uses SFSF funds for construction, it must comply with specific

¹ Additional guidance on “green-building rating systems” is provided in Part V of the U.S. Department of Education’s “Guidance on the State Fiscal Stabilization Fund Program” available at <http://www.ed.gov/programs/statestabilization/guidance.pdf>.

requirements relating to the use of American iron, steel, and manufactured goods used in the project. (See Section 1605 of the ARRA.)

4.10 Are there specific types of construction, modernization, or repair activities that may not be supported with Stabilization funds?

Yes. An LEA is prohibited from using Stabilization funds for: (a) stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public; (b) improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities; and (c) school modernization, renovation, or repair that is inconsistent with State law. (See Sections 14003(b) and (c) of the ARRA.)

4.11 Must an LEA seek approval from OSSE prior to beginning construction, modernization, or repair activities funded with SFSF dollars?

Yes. LEAs wishing to use SFSF funding for construction, modernization, or repair activities must first seek approval from OSSE before initiating any projects. OSSE will contact all LEAs who include construction, modernization, or repair activities in their budgets submitted as part of the SFSF application process. Please note that using SFSF funds for construction, modernization, or repair activities subject LEAs to significant, burdensome requirements. Please see the Department of Education’s May 11, 2009 modifying guidance regarding using SFSF funds for construction available online <http://www.ed.gov/programs/statestabilization/guidance-mod-05112009.pdf>.

4.12 May an LEA use SFSF funds to pay its facility lease? (NEW)

The Department of Education has not issued a strict prohibition on the use of SFSF funds to pay for facility leases; however, no guidance has identified this as an acceptable activity. OSSE strongly discourages LEAs from using their SFSF funds to pay leases because it is inconsistent with the guiding principles of ARRA funds (spend funds quickly and create jobs, ensure transparency and accountability, thoughtfully invest one-time funds, and advance effective reform in education). LEAs should remember that SFSF funds represent a small portion of their January and April UPSFF payments. OSSE advises LEAs to use the locally funded portion of their UPSFF payment to pay leases.

4.13 May an LEA use SFSF funds to supplement or restore its local “rainy day” fund rather than use the funds for specific purposes?

No. An LEA’s transfer of SFSF funds to its local “rainy day” fund would not constitute an “obligation” of the funds. The LEA must actually obligate the funds for specific allowable activities during the period of fund availability. All SFSF funds must be obligated by September 30, 2011. A chart indicating when an obligation occurs for various types of activities is provided in the Education Department General Administrative Regulations (EDGAR) at 34 C.F.R. 76.707.

4.14 May an LEA use Education Stabilization funds to pay down past debt?

Yes. Although paying down an LEA's past debt may be an allowable use of these funds under Title VIII of the ESEA (Impact Aid) to the extent consistent with State and local requirements, the U.S. Department of Education and OSSE strongly encourage LEAs to consider how its Education Stabilization funds could be better used to restore cuts in essential educational services, stimulate the local economy, and promote needed educational reforms.

4.15 May an LEA use Government Services funds to pay down past debt?

No. The paying down of past debt or the paying of interest or other obligations on past debt does not constitute the use of funds for "government services" under the plain meaning of those words in the ARRA.

4.16 Is an LEA *required* to provide equitable services for private school students and teachers with Education Stabilization funds?

No. There is no requirement in the ARRA that an LEA provide equitable services for private school students with Education Stabilization funds, even if those funds are used for an activity authorized by a program that otherwise requires equitable services. However, an LEA may provide services for private school students and teachers to the extent that the activities are authorized by the ESEA, the IDEA, the AEFLA, or the Perkins Act.

Section 5: Tracking and Accounting for SFSF Funds**5.1 Must LEAs track and report SFSF funds separately?**

Yes. All LEAs must (a) maintain records that separately track and account for its Education Stabilization and Government Services fund and (b) report on the specific uses of those funds.

LEAs will report expenditure information for both funds in OSSE's ARRA Reporting and Reimbursement Workbook version 2.0. The workbook will contain two tabs: one for Education Stabilization expenditures and one for Government Services expenditures. LEAs must also create budgets for the Education Stabilization and Government Services funds as part of the SFSF application process. OSSE anticipates that many LEAs will use and report on all Government Services funds (awarded January 15th, 2010) between January and March 2010 and all Education Stabilization Funds (awarded April 15th, 2010) between April and June 2010.

5.2 What are charter LEAs SFSF reporting requirements?

All LEAs must report expenditure and job activity data on a quarterly basis to OSSE. As outlined in OSSE's November 2009 "Reporting Requirements Clarifying Guidance", LEAs must provide

OSSE with line-item expenditure information and individual-level data for jobs created and retained as a result of Education Stabilization and Government Services funds.

5.3 How will charter LEAs fulfill their SFSF reporting requirements?

Charter LEAs will use the ARRA Reporting and Reimbursement Workbook Version 2.0 (to be released in January 2010) to fulfill their SFSF reporting requirements. Charter LEAs will also use this workbook to report their ARRA Title I, IDEA, and McKinney Vento expenditure and job activity information. The workbook will contain a tab for each ARRA grant. Charter LEAs must report information for each grant they receive on a quarterly basis. Charter LEAs will use the ARRA Reporting and Reimbursement Workbook Version 2.0 to seek reimbursement for their applicable ARRA Title I, IDEA, and McKinney Vento funds, whereas for Education Stabilization and Government Services funds, they will use the workbooks to account for grant funds already received.

5.4 When are the SFSF reporting deadlines?

All charter LEAs must submit ARRA Reporting and Reimbursement Workbooks according to the following schedule. Please note that the first SFSF reporting deadline is March 22, 2010. All materials must be sent to OSSE.Reimbursement@dc.gov.

Federal Reporting Quarter	Submit Expenditure/Job Information for the Following Period (Beginning – Ending)	Deadline for Submitting Quarterly ARRA Reimbursement and Reporting Workbook Version 2.0 to OSSE
III	February 17, 2009 – March 15, 2010	March 22, 2010*
IV	March 16, 2010 – June 14, 2010	June 21, 2010
V	June 15, 2010 – September 15, 2010	September 21, 2010
VI	September 16, 2010 – December 15, 2010	December 22, 2010
VII	December 16, 2010 – March 15, 2011	March 21, 2011
VIII	March 16, 2011 – June 15, 2011	June 22, 2011
IX	June 16, 2011 – September 15, 2011	September 22, 2011

*Charter LEAs must only report on their Government Services payment received January 15, 2010. Charter LEAs will not need to report on their Education Stabilization allocation until the June 21, 2010 reporting deadline.

5.5 Why must charter LEAs submit ARRA Reimbursement and Reporting Workbooks for their SFSF funds if they are not seeking reimbursement?

Charter LEAs must submit SFSF expenditure and job activity information to OSSE as part of their ARRA mandated reporting requirements. Prior to receiving SFSF funds, all Charter LEAs must sign assurances in their SFSF application wherein they commit to abide by all ARRA-related reporting requirements.

OSSE will review charter LEAs' ARRA Reporting and Reimbursement Workbooks to confirm that SFSF funds were used for allowable expenses as defined by ARRA and that the reported expenditures align with the charter LEAs approved SFSF budgets. OSSE will follow-up directly

with charter LEAs that report disallowed costs. Charter LEAs may be asked to submit additional expenditure information.

5.6 What are the consequences for not timely submitting ARRA Reporting and Reimbursement Workbooks?

Charter LEAs that do not meet the prescribed reporting requirements will be subject to increased monitoring and a potential corrective action plan. In addition, if at the end of the grant period an LEA has failed to submit all expenditure data, then the LEA will have to repay the unreported portion of SFSF funds

5.7 Must a Charter LEA report on SFSF funds every quarter?

Yes, until otherwise notified. Charter LEAs' quarterly reporting requirements cease once OSSE notifies them that they have submitted expenditure information for their entire SFSF allocations. For example, if a charter LEA receives a payment of \$100,000 in Government Services funding on January 15, 2010 and submits an ARRA Reporting and Reimbursement Workbook containing \$100,000 in valid expenditures (as well as any relevant job activity) to OSSE on March 22, 2010, then that LEA would not have to report on the Government Services portion of its SFSF award in future reporting cycles. OSSE strongly encourages charter LEAs to spend their SFSF allocations as quickly as possible to limit their number of applicable reporting cycles. LEAs are encouraged to identify large expenditures, such as personnel expenses, to submit for reimbursement. Personnel expenditures are allowable costs under both the SFSF Education Stabilization and Government Services funds and achieve the ARRA principle to "Spend funds quickly to save and create jobs".²

5.8 May a charter LEA use SFSF funds to pay for expenditures made prior to receiving the January 15th and April 15th SFSF payments?

Yes. Charter LEAs may report expenditures made as early as February 17, 2009 (the first date of obligation for SFSF funds) in their ARRA Reporting and Reimbursement Workbook. For example, a charter may report personnel expenditures for a teacher employed between February 17, 2009 and March 22, 2010 in its 3rd quarter ARRA reporting cycle. OSSE encourages charter LEAs to examine expenditure activity from February 17, 2009 to the present when considering what expenditures to report in their March 22, 2009 reporting cycle. All reported expenditures must be deemed allowable according to Section 4 of this guidance and have occurred no earlier than February 17, 2009.

² "Overview of ARRA" Available at <http://www.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html>.

Section 6: Additional SFSF Resources from the U.S. Department of Education

1. Letter on the Use of Government Services Funds for Medicaid Expenses (Oct 2, 2009)
 [MS Word](#) (30K) | [PDF](#) (11K)
2. Guidance on the Use of Government Services Funds for Medicaid Expenses (Oct 2, 2009)
 [MS Word](#) (20K) | [PDF](#) (92K)
3. Guidance on the State Fiscal Stabilization Fund (Apr 1, 2009)
 [MS Word](#) (448K) | [PDF](#) (412K)
4. Guidance Modifications (Apr 7, 2009)
 [MS Word](#) (32K) | [PDF](#) (108K)
5. Guidance Modifications (May 11, 2009)
 [MS Word](#) (40K) | [PDF](#) (108K)
6. Guidance on the Maintenance-of-Effort Requirements in the State Fiscal Stabilization Fund Program (May 1, 2009)
 [PDF](#) (128K)