



THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

October 7, 2009

Honorable John Kline
U.S. House of Representatives
Washington, DC 20515

Dear Congressman Kline:

Thank you for your September 10 letter regarding the Department's proposal to adjust the State administrative caps for Title I, Part A of the Elementary and Secondary Education Act and section 611 of the Individuals with Disabilities Education Act with respect to funds available for those programs under the American Recovery and Reinvestment Act (ARRA) for one year. I appreciate the concerns raised in your letter and am pleased to respond.

At this time I am only able to respond to two of your questions. The Department will include the remaining questions in the public rulemaking record and address them in the Department's response to comments as part of the upcoming decision on whether to move forward with a final rule on this matter. As you know, the public comment period for this rule ended September 16. I appreciate your patience while we consider your comments along with the comments from other interested parties.

With respect to your first question asking when the Department plans to release guidance on the ARRA reporting requirements, the Department released guidance in the past few weeks on recipient ARRA quarterly reporting (available at <http://www.ed.gov/policy/gen/leg/recovery/section-1512.html>). Please see the links under "ED Clarifying Guidance on Recovery Act Section 1512 Quarterly Reporting" and the links under "Recovery Act Recipient Reporting Tip Sheets for October 2009 FederalReporting.gov Submission" to view these guidance documents. I believe that this guidance will be a valuable tool that will assist recipients in meeting the ARRA quarterly reporting requirements.

Your last question asks whether any State indicated in its State Fiscal Stabilization Fund (Stabilization Fund or SFSF) application that it planned to use General Services funds to meet the ARRA reporting requirements and whether any State indicated that the SFSF freed up other funds that could be used to meet the reporting requirements. Seven applicants (Connecticut, Iowa, Missouri, New Hampshire, North Dakota, Puerto Rico, and Texas) indicated in their initial SFSF applications that they would use Government Services funds to pay for activities related to meeting the ARRA reporting requirements or administering the program. States were not required to indicate in their initial SFSF applications how they intended to spend their Government Services funds, although they have the option of providing that information to the Department when they have determined how they will use those funds. In addition, a State may amend its application to revise how it will spend its Government Services funds. We do not have

information indicating whether States are using their Stabilization Funds to free up other State funds that could then be used to pay for reporting and administration activities.

I hope this information is helpful. If you have any further questions, please let me know. Again, thank you for your continued support as we implement the ARRA programs.

Sincerely,



Arne Duncan