

CA POLICY BRIEF May 2010

ARRA: Funding Special Education

The American Recovery and Reinvestment Act (ARRA) of 2009 includes approximately \$136.3 billion in health-related funding opportunities for state and local agencies. This includes approximately \$1.3 billion allocated to California for special education of children from age five through 21. These dollars extended existing funding of the Individuals with Disabilities Education Act (IDEA), Part B, and can positively impact your MAA and LEA Billing Option programs.

Maintaining Flow of Funding

In 2009 the California Department of Education (CDE) estimated local allocations of these funds by Special Education Local Plan Areas (SELPA). As of April 30, 2010 CDE has reported that all of the SELPAs and their associated LEAs have provided the spending assurances necessary for receipt of funds, and \$326.5 million of the \$1.1 billion has been distributed.¹

September 30, 2011 is the final deadline for LEAs to request ARRA special education funds.

In California, Local Education Agencies (LEAs) are filing a series of interim fiscal reports with CDE to receive available stimulus funds as non-competitive grants. Because CDE is incrementally releasing funds, multiple reports are required to track and verify that local spending of ARRA funds meets all state and federal regulatory requirements.

Benefitting Special Education

Funds are available for LEAs to provide children with disabilities access to public education that meets individual needs, and furthers additional education, employment and independent living. Eligible expenses for ARRA funding of special education include:

Assistive **technology, workstations, resources**, expert **consultations**, and other student support

Professional development for staff, such as training in evidence-based practices and progress monitoring, as well as data collection and alignment of Individual Education Plans (IEPs)

Certification of staff in Speech Pathology, and as Highly Qualified Teachers

Additional hours for paraprofessionals, summer coaches, transition coordinators, and **increased instructional time** to improve student outcomes

¹ CDE distribution provided 20% of an estimated allocation upon receipt of initial assurances, followed by increments of 15%, contingent upon receipt of interim fiscal reports that document accrued or actual spending of 80% of funds already received.



Benefiting School-Based Medi-Cal Programs

ARRA funds available for special education can also positively impact school-based Medi-Cal programs, leading to improved reimbursements long after stimulus funds have been expended.

- **Staff Increase.** Increasing the number of LEA Billing Option program participants by certifying staff in eligible job classification types, such as Speech Pathologists, can lead to an increase of claims submitted for billable services and result in higher program reimbursements. For the portion of time each additional Speech Pathologist spends performing case coordination, referrals and follow-up related to Medi-Cal covered services, LEAs can also receive additional reimbursement through the Medi-Cal Administrative Activities (MAA) program.
- **Improve Administrator Support and Audit Compliance.** Investing ARRA special education funds in assistive technology, resources, and professional development increase awareness and support for the LEA and MAA programs by Administrators. This has proven to be key in increasing overall participation and improving the integrity and audit-compliance of the programs, protecting reimbursements and ensuring the highest standard of proper claiming.

Additional Information

Paradigm has published a detailed background brief on the American Recovery and Reinvestment Act (ARRA) and funding sources available through ARRA for LEAs. Copies of Paradigm Publications are available on our main website, www.paradigm-healthcare.com, or can be requested from our Client Care department, support@paradigm-healthcare.com.

Web Resources

California Department of Education:

- ARRA, IDEA, Part B: <http://www.cde.ca.gov/fg/fo/profile.asp?id=1607>
- ARRA, FAQs on IDEA Stimulus Funds: <http://www.cde.ca.gov/sp/se/as/arrafaq.asp>

United States Department of Education:

- Guidance on IDEA Part B Funds under ARRA -- September, 2009: <http://www2.ed.gov/policy/gen/leg/recovery/guidance/idea-b.pdf>
- American Recovery and Reinvestment Act of 2009: IDEA Recovery Funds for Services to Children and Youths with Disabilities <http://ed.gov/policy/gen/leg/recovery/factsheet/idea.html>

