Enclosure B

IDEA Grants to States Program (Part B, Section 611)

Explanation of the FFY 2006 Allocation Table
(Table 1)

Total Grant Award (Column A of Table I)

Column A includes your total grant award for FFY 2006. The amount that you have received in the accompanying grant award, plus the additional funds that you will receive in October 2006, will make up your total award amount.

For fiscal year 2006, the final appropriation for the Grants to States program represents a small decrease below the amount for fiscal year 2005. Section 611(d)(4) of the Individuals with Disabilities Education Act specifies how funds are allocated under this program when the amount appropriated is less than for the prior fiscal year. At this level of decrease, the IDEA requires that each State first be allocated the amount it received for fiscal year 1999. The remaining funds are allocated based on the relative amount of the increase in funding that the State received between Federal fiscal year 1999 and 2005, as compared to the total of such increases for all States.

Section 611 Base Allocation (Column B of Table I)

The amount shown in Column B is the portion of the LEA flow-through amount that must be distributed to LEAs based on the amounts that the LEAs would have received from FFY 1999 funds had the State education agency (SEA) flowed through 75% of the State award to LEAs. Note that this amount is less than the minimum amount that States were required to provide to LEAs from FFY 1999 funds. The Part B regulations clarify how adjustments to the base payment amounts for LEAs are made.

Maximum Set-aside Available for Administration (Column C of Table I)

Column C includes the maximum State set-aside amount for administration. Before the IDEA was amended by the Individuals with Disabilities Education Improvement Act of 2004, the maximum set aside for administration was taken as a percentage of the amount available for State-level activities. The maximum amount available for administration is now calculated separately from the amount for other State-level activities. States may reserve not more than the greater of the maximum amount the State was eligible to reserve for State administration for fiscal year 2004 or $800,000, as adjusted for inflation based on the Consumer Price Index For All Urban Consumers (CPIU), published by the Bureau of Labor Statistics of the Department of Labor. The CPIU increase for FFY 2006 is approximately 4.35%. For FFY 2006, the $800,000 adjusted for inflation is $861,405.

Each Outlying Area, may reserve for each fiscal year not more than 5% of the amount the outlying area receives under this program or $35,000, whichever is greater.
Maximum Set-aside Available for Other State Level Activities (Columns D – G of Table I)

The maximum level of funding that may be set aside from a State's total allocation for State-level activities, other than administration, is contingent upon the amount that the State actually sets aside for administration and whether the State opts to establish a local educational agency high-risk pool under IDEA, section 611(e)(3). For FFY 2006:

1. If the actual amount a State will set aside for State administration is over $850,000 and the State will use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State level activities (other than administration) is 10.0%.

2. If the actual amount a State will set aside for State administration is over $850,000 and the State will not use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State level activities (other than administration) is 9.0%.

3. If the actual amount a State will set aside for State administration is $850,000 or less and the State will use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State level activities (other than administration) is 10.5%.

4. If the actual amount a State will set aside for State administration is $850,000 or less and the State will not use funds from its award to support a high-risk pool, the maximum amount the State may set aside of its total award for State level activities (other than administration) is 9.5%.

SEAs are required to use some portion of these State set-aside funds on monitoring, enforcement, and complaint investigation and to establish and implement the mediation process required by Part B, section 615(e), including providing for the costs of mediators and support personnel. In addition, States setting aside funds for a risk pool, as provided for under section 611(e)(3), must reserve at least 10% of the amount the State reserved for State-level activities for the risk pool.

SEAs also may use State set-aside funds: (1) for support and direct services, including technical assistance, personnel preparation, and professional development and training; (2) to support paperwork reduction activities, including expanding the use of technology in the IEP process; (3) to assist LEAs in providing positive behavioral interventions and supports and mental health services to children with disabilities; (4) to improve the use of technology in the classroom by children with disabilities to enhance learning; (5) to support the use of technology, including technology with universal design principles and assistive technology devices, to maximize accessibility to the general education curriculum for children with disabilities; (6) for development and implementation of transition programs, including coordination of services with agencies involved in supporting the transition of students with disabilities to post-secondary activities; (7) to assist LEAs in meeting personnel shortages; (8) to support capacity building activities and improve the delivery of services by LEAs to improve results for children with disabilities; (9) for alternative programming for children with disabilities who have been expelled from school, and services for children with disabilities in correctional facilities, enrolled in State-operated or State-supported schools, and in charter schools; (10) to support the development and provision of appropriate accommodations for children with disabilities, or the development and provision of alternate assessments that are valid and reliable for assessing the performance of children with disabilities, in accordance with
sections 1111(b) and 6111 of the Elementary and Secondary Education Act of 1965; and, (11) to provide technical assistance to schools and LEAs, and direct services, including supplemental educational services as defined in 1116(e) of the Elementary and Secondary Education Act of 1965 to children with disabilities, in schools or LEAs identified for improvement under section 1116 of the Elementary and Secondary Education Act of 1965 on the sole basis of the assessment results of the disaggregated subgroup of children with disabilities, including providing professional development to special and regular education teachers, who teach children with disabilities, based on scientifically based research to improve educational instruction, in order to improve academic achievement to meet or exceed the objectives established by the State under section 1111(b)(2)(G) the Elementary and Secondary Education Act of 1965.

**Section 611 Population/Poverty**

The minimum amount that a State must flow through to LEAs based on population/poverty equals the total award (Column A) minus the LEA base allocation (Column B), the maximum amount available for administration (Column C), and the maximum amount available for other State-level activities (Column D, E, F, or G). Of this amount, 85% is distributed on a pro rata basis to LEAs according to public and private elementary and secondary school enrollment, and 15% on a pro rata basis to LEAs according to the number of children in LEAs living in poverty, as determined by the State.

**Funding Notes**

The total minimum amount that a State must flow through to local educational agencies (LEAs) is comprised of the base allocation and population and poverty amounts. This amount is separate from any funds that the State may choose to flow through to LEAs from its State set-aside funds. No changes are expected in the total grant award, maximum amount available for administration, maximum amount available for other State-level activities, and total flow-through. Also note that there are no funds set aside for Capacity Building and Improvement Activities. The Individuals with Disabilities Education Improvement Act of 2004 eliminated the authority for these sub grants.