Enclosure C

IDEA Preschool Grants Program
(Part B, Section 619)

Explanation of the FFY 2006 Allocation Table
(Table III)

Column A includes your total grant award for Federal fiscal year (FFY) 2006. In general, grants are calculated as follows: States are first provided an amount equal to the amount they received in FFY 1997. Of the funds in excess of the FFY 1997 level, 85% are allocated to the States on the basis of their relative population of children aged 3 through 5 and 15% on the relative population of children in this age range who are living in poverty. The statute also contains a number of floors and ceilings below and above which a State's allocation may not fall.

For Federal fiscal year 2006, the final appropriation for the Preschool Grants program represents a decrease of $3,846,378 below the amount for FFY 2005. Section 619(c)(3) 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 Federal fiscal year. At this level of decrease, the IDEA requires that each State first be allocated the amount it received for Federal fiscal year 1997. The remaining funds are allocated based on the relative amount of the increase in funding that the State received between Federal fiscal years 1997 and 2005, as compared to the total of such increases for all States. The total State awards are shown in Column A.

Within the State allocation, the LEA base allocations (Column D) are the same as the amounts for FFY 2005. However, the population/poverty (Column E) and Minimum Flow through to LEAs (Column F) amounts are reduced slightly, reflecting the decrease in the appropriation for FFY 2006.

Column B indicates the maximum State set-aside (including funds for administration) and Column C indicates the maximum portion of the State set-aside amount that may be used for administration. State set-aside amounts are limited to the maximum amount that a State could set aside in the prior Federal fiscal year, plus an adjustment based on the lesser of the rate of inflation or the percentage increase in the SEA's allocation over the preceding Federal fiscal year. Since there was no percentage increase in the SEA's allocation over the preceding Federal fiscal year, the maximum amount available for the State set-aside is the same as the amount available for this purpose in FFY 2005, and the maximum amount available for administration is the same as the amount available for this purpose in FFY 2005. Administration funds may be used to administer this program or, at the State's discretion, for the administration of the Part C, Grants for Infants and Families program.

SEAs may use State set-aside funds for administration (limited to no more than 20% of the total allowable set-aside amount), and for: (1) support services (including establishing and implementing the mediation process required under 34 CFR §300.506), which may benefit children with disabilities younger than 3 or older than 5, as long as those services also benefit children with disabilities aged 3 through 5; (2) direct services for children with disabilities who are eligible for services under Section 619; (3) activities at the State and local levels to meet the performance goals established by the State in their State Part B application; (4) supplementing other funds used to develop and implement a statewide coordinated services system designed to improve results for children and families, including children with disabilities and their families (up to 1 percent of the amount received under this program); to provide early intervention

services (which shall include an educational component that promotes school readiness and incorporates preliteracy, language, and numeracy skills) in accordance with Part C to children with disabilities who are eligible for services under Section 619 and who previously received services under Part C until such children enter, or are eligible under State law to enter, kindergarten; or (6) at the State's discretion, to continue service coordination or case management for families who receive services under Part C. Funds that a State sets aside may be distributed to LEAs, at the State's discretion, in any manner determined appropriate by the State.