Enclosure B

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

Explanation of the FFY 2007 Allocation Table
(Table I)

Total Grant Award (Column A of Table I)

Column A includes your total grant award for FFY 2007. The amount that you have received in
the accompanying grant award, plus the additional funds that you will receive in October 2007,
will make up your total award amount.

State grants are calculated as follows: States are first provided an amount equal to the amount
they received in FFY 1999. Of the funds in excess of the FFY 1999 level, 85% are allocated to
States on the basis of their relative populations of children aged 3 through 21 who are the same
age as children with disabilities for whom the State ensures the availability of FAPE and 15% on
the relative populations of children of those ages 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.
Most States’ allocations are subject to one of these floors or ceilings.

Section 611 Base Allocation (Column B of Table I)

The amount shown in Column B is the portion of the local education agency (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 (CPI-U), published by the Bureau of Labor Statistics of the Department of
Labor. The maximum amount available for administration for each State for FFY 2007 is an
increase of about 1.31% over the maximum amount that was available for FFY 2006.

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 LEA high-risk pool under IDEA, section 611(e)(3). For FFY 2007:

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% of its FFY 2006 award as adjusted for inflation based on the CPIU.

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% of its FFY 2006 award as adjusted for inflation based on the CPIU.

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% of its FFY 2006 award as adjusted for inflation based on the CPIU.

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% of its FFY 2006 award as adjusted for inflation based on the CPIU.

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 individualized education program 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 (ESEA) of 1965; and, (11) to provide
technical assistance to schools and LEAs, and direct services, including supplemental
educational services as defined in section 1116(e) of the ESEA 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) of the ESEA 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.