Enclosure C

IDEA Preschool Grants Program
(Part B, Section 619)

Explanation of the FFY 2009 Allocation Table

**Total Grant Award (Column B)**

Column B shows your total grant award for the Preschool Grants program for Federal Fiscal Year (FFY) 2009. This includes funds from the Omnibus Appropriations Act, 2009, which is the regular appropriation, and funds from the American Recovery and Reinvestment Act of 2009 (ARRA). Funds from the regular appropriation and ARRA were combined for the purpose of calculating the allocations. Column C shows the allocations by State under the ARRA, and Column D shows the amounts per State under the regular Preschool Grants appropriation.

The ARRA funds (Column C) will be awarded in two allocations: 50% of the funds in March, 2009 (Column J) and the remaining 50% by September 30, 2009 (Column K). The totals in Columns J and K are slightly different due to rounding.

In general, grants are calculated as follows: States are first provided a base payment equal to the amount they received in FFY 1997 (Column G). Of the total funds including the regular allocation and the ARRA allocation, 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 (Column H). The IDEA also contains a number of floors and ceilings below and above which a State’s allocation may not fall.

State regular grants are calculated with the same methodology above, using only regular funds in place of total funds. This determines the allocations states would have had if no additional funds were made available by the ARRA State ARRA funds are then calculated as the difference between State regular grants and State total grants.

**Section 619 Base Allocation to LEAs (Column G)**

Column G is the portion of the local educational agency (LEA) flow-through amount that must be distributed to LEAs based on the amounts that the LEAs would have received from the FFY 1997 funds had the State educational 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 LEAs from the FFY 1997 funds. The Part B regulations at 34 CFR 300.816(b) clarify how adjustments to the base payment amounts for LEAs are made.

**Section 619 Population /Poverty (Column H)**

Column H shows the allocation to local educational agencies (LEAs) based on population and poverty factors, minus the amounts for the maximum State set-aside (Column E). The minimum flow through to LEAs includes the base payment (Column G) and population/poverty amounts (Column H). If States do not choose to retain the maximum amount available under the State set-aside, the remaining funds flow through to States in addition to the funds in Column I.
**Maximum State Set-Aside (Column E)**

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. There was no increase in the regular appropriation for FFY 2009. However, because the formula was run on the combination of funds from the regular appropriation for Preschool Grants and ARRA appropriation for Preschool Grants, the maximum State set-asides for FFY 2009 includes an increase of approximately 3.66% above the amounts available for FFY 2008.

SEAs may use State set-aside funds for:

1. Administration (limited to no more than 20% of the maximum State set-aside);

2. 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;

3. Direct services for children with disabilities who are eligible for services under section 619;

4. Activities at the State and local levels to meet the performance goals established by the State in their State Part B application;

5. 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);

6. 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

7. At the State’s discretion, to continue service coordination or case management for families who receive services under Part C.

**Maximum Set-Aside for Administration (Column F)**

Column F indicates the maximum portion of the State set-aside amount that may be used for administration. This amount is 20% of the maximum allowable State set-aside for each State.

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.