

April 5, 2010

Honorable Robert R. Riley  
Governor of Alabama  
State Capitol  
600 Dexter Avenue  
Montgomery, Alabama 36130-2751

Dear Governor Riley:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$816,662,643
2. Non-ARRA FY 2009 funds	\$351,236,904
3. FY 2008 funds	\$52,382,617

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$613,993,665

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Joe Morton  
Superintendent of Education

Enclosures

April 5, 2010

Honorable Sean Parnell  
Governor of Alaska  
P.O. Box 110001  
Juneau, Alaska 99811-0101

Dear Governor Parnell:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$171,128,171
2. Non-ARRA FY 2009 funds	\$100,171,597
3. FY 2008 funds	\$13,616,499

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$259,162,721

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The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Larry LeDoux  
Commissioner of Education & Early Development

Enclosures

April 5, 2010

Honorable Jan Brewer  
Governor of Arizona  
State House, 9th Floor  
1700 West Washington Street  
Phoenix, Arizona 85007

Dear Governor Brewer:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$807,235,319
2. Non-ARRA FY 2009 funds	\$471,313,203
3. FY 2008 funds	\$33,836,499

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$930,351,681

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Sincerely,

/s/

Arne Duncan

cc: Honorable Tom Horne  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Mike Beebe  
Governor of Arkansas  
State Capitol, Room 250  
Little Rock, Arkansas 72201

Dear Governor Beebe:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$532,404,570
2. Non-ARRA FY 2009 funds	\$208,292,188
3. FY 2008 funds	\$6,718,442

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$410,667,285

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The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Tom W. Kimbrell  
Commissioner

Enclosures

April 5, 2010

Honorable Arnold Schwarzenegger  
Governor of California  
State Capitol  
Sacramento, California 95814

Dear Governor Schwarzenegger:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$2,942,930,973
2. Non-ARRA FY 2009 funds	\$2,639,819,935
3. FY 2008 funds	\$304,793,909

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$4,593,807,630

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- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Jack O'Connell  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Bill Ritter  
Governor of Colorado  
136 State Capitol  
Denver, Colorado 80203-1792

Dear Governor Ritter:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$595,862,232
2. Non-ARRA FY 2009 funds	\$295,283,721
3. FY 2008 funds	\$54,601,684

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$492,261,245

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Sincerely,

/s/

Arne Duncan

cc: Honorable Dwight D. Jones  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Jodi Rell  
Governor of Connecticut  
State Capitol  
Hartford, Connecticut 06106

Dear Governor Rell:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$537,251,990
2. Non-ARRA FY 2009 funds	\$196,196,922
3. FY 2008 funds	\$22,097,856

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$361,442,482

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Sincerely,

/s/

Arne Duncan

cc: Dr. Mark McQuillan  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Jack Markell  
Governor of Delaware  
Patnall Building, 2nd Floor  
Dover, Delaware 19901

Dear Governor Markell:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$167,979,893
2. Non-ARRA FY 2009 funds	\$89,550,438
3. FY 2008 funds	\$16,324,850

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$127,281,857

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Sincerely,

/s/

Arne Duncan

cc: Honorable Lillian Lowery  
Secretary of Education

Enclosures

April 5, 2010

Honorable Charlie Crist  
Governor of Florida  
State Capitol  
Tallahassee, Florida 32399-0001

Dear Governor Crist:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$2,912,231,678
2. Non-ARRA FY 2009 funds	\$918,741,034
3. FY 2008 funds	\$248,285,214

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$2,005,580,695

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Eric J. Smith  
Commissioner

Enclosures

April 5, 2010

Honorable Sonny Perdue  
Governor of Georgia  
203 State Capitol  
Atlanta, Georgia 30334

Dear Governor Perdue:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$1,339,645,974
2. Non-ARRA FY 2009 funds	\$810,979,678
3. FY 2008 funds	\$94,254,646

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$1,254,002,197

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Kathy Cox  
Superintendent of Schools

Enclosures

April 5, 2010

Honorable Linda Lingle  
Governor of Hawaii  
State Capitol, 5th Floor  
Honolulu, Hawaii 96813

Dear Governor Lingle:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$213,116,305
2. Non-ARRA FY 2009 funds	\$108,490,543
3. FY 2008 funds	\$23,178,645

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$189,531,363

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Ms. Kathryn Matayoshi  
Acting Superintendent of Education

Enclosures

April 5, 2010

Honorable C.L. "Butch" Otter  
Governor of Idaho  
State Capitol  
Boise, Idaho 83720-0034

Dear Governor Otter:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$205,267,083
2. Non-ARRA FY 2009 funds	\$113,373,199
3. FY 2008 funds	\$14,860,347

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$181,867,588

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Tom Luna  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Pat Quinn  
Governor of Illinois  
State Capitol  
Springfield, Illinois 62706

Dear Governor Quinn:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$1,204,104,676
2. Non-ARRA FY 2009 funds	\$851,853,391
3. FY 2008 funds	\$65,666,299

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$1,623,308,389

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Dr. Christopher Koch  
State Superintendent of Education

Enclosures

April 5, 2010

Honorable Mitch Daniels  
Governor of Indiana  
State House, Room 206  
Indianapolis, Indiana 46204

Dear Governor Daniels:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$623,286,030
2. Non-ARRA FY 2009 funds	\$508,660,971
3. FY 2008 funds	\$107,672,931

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$753,082,563

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Tony Bennett  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Chet Culver  
Governor of Iowa  
State Capitol  
Des Moines, Iowa 50319-0001

Dear Governor Culver:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$304,115,699
2. Non-ARRA FY 2009 funds	\$183,375,603
3. FY 2008 funds	\$30,376,038

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$310,805,024

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Judy Jeffrey  
Director of Education

Enclosures

April 5, 2010

Honorable Mark Parkinson  
Governor of Kansas  
State Capitol  
Topeka, Kansas 66612-1590

Dear Governor Parkinson:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$348,818,711
2. Non-ARRA FY 2009 funds	\$198,034,507
3. FY 2008 funds	\$21,648,579

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$355,536,351

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Dr. Diane M. DeBacker  
Interim Commissioner of Education

Enclosures

April 5, 2010

Honorable Steve Beshear  
Governor of Kentucky  
State Capitol  
Frankfort, Kentucky 40601

Dear Governor Beshear:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$752,451,632
2. Non-ARRA FY 2009 funds	\$337,104,722
3. FY 2008 funds	\$59,708,336

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$591,357,062

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Terry Holliday  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Bobby Jindal  
Governor of Louisiana  
P.O. Box 94004  
Baton Rouge, Louisiana 70804-9004

Dear Governor Jindal:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$828,199,101
2. Non-ARRA FY 2009 funds	\$502,172,178
3. FY 2008 funds	\$74,732,281

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$742,690,821

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Paul G. Pastorek  
State Superintendent of Education

Enclosures

April 5, 2010

Honorable John Baldacci  
Governor of Maine  
1 State House Station  
Augusta, Maine 04333

Dear Governor Baldacci:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$192,049,290
2. Non-ARRA FY 2009 funds	\$69,892,818
3. FY 2008 funds	\$8,865,972

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$174,557,032

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Susan A. Gendron  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Martin O'Malley  
Governor of Maryland  
State House  
Annapolis, Maryland 21401

Dear Governor O'Malley:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$951,200,063
2. Non-ARRA FY 2009 funds	\$268,560,457
3. FY 2008 funds	\$61,087,952

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$562,286,669

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Nancy S. Grasmick  
Superintendent of Schools

Enclosures

April 5, 2010

Honorable Deval Patrick  
Governor of Massachusetts  
State House, Room 360  
Boston, Massachusetts 02133

Dear Governor Patrick:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$861,930,887
2. Non-ARRA FY 2009 funds	\$389,252,092
3. FY 2008 funds	\$30,024,587

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$718,577,837

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Mitchell D. Chester  
Commissioner of Elementary and Secondary Education

Enclosures

April 5, 2010

Honorable Jennifer M. Granholm  
Governor of Michigan  
State Capitol  
Lansing, Michigan 48913

Dear Governor Granholm:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$1,357,754,230
2. Non-ARRA FY 2009 funds	\$1,092,959,652
3. FY 2008 funds	\$76,083,769

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$1,366,880,830

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Mike Flanagan  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Tim Pawlenty  
Governor of Minnesota  
130 State Capitol  
75 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, Minnesota 55155

Dear Governor Pawlenty:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$701,757,366
2. Non-ARRA FY 2009 funds	\$326,644,638
3. FY 2008 funds	\$79,143,251

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$513,969,504

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Alice Seagren  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Haley Barbour  
Governor of Mississippi  
P.O. Box 139  
Jackson, Mississippi 39205

Dear Governor Barbour:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$553,406,500
2. Non-ARRA FY 2009 funds	\$343,458,200
3. FY 2008 funds	\$44,557,260

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$486,760,131

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- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Dr. Tom Burnham  
Superintendent of Education

Enclosures

April 5, 2010

Honorable Jay Nixon  
Governor of Missouri  
P.O. Box 720  
Jefferson City, Missouri 65102

Dear Governor Nixon:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$694,738,743
2. Non-ARRA FY 2009 funds	\$420,113,470
3. FY 2008 funds	\$40,011,554

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$712,898,905

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- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Chris L. Nicastro  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Brian Schweitzer  
Governor of Montana  
State Capitol  
Helena, Montana 59620-0801

Dear Governor Schweitzer:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$160,794,546
2. Non-ARRA FY 2009 funds	\$89,106,901
3. FY 2008 funds	\$1,247,531

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$187,662,226

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Denise Juneau  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Dave Heineman  
Governor of Nebraska  
State Capitol  
Lincoln, Nebraska 68509-4848

Dear Governor Heineman:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$379,824,056
2. Non-ARRA FY 2009 funds	\$155,853,753
3. FY 2008 funds	\$29,961,977

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$232,959,083

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Dr. Roger Breed  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Jim Gibbons  
Governor of Nevada  
State Capitol  
Carson City, Nevada 89710-0001

Dear Governor Gibbons:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$336,835,754
2. Non-ARRA FY 2009 funds	\$151,087,564
3. FY 2008 funds	\$22,376,842

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$251,262,940

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Keith Rheault  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable John Lynch  
Governor of New Hampshire  
State House  
Concord, New Hampshire 03301

Dear Governor Lynch:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$167,222,225
2. Non-ARRA FY 2009 funds	\$104,426,296
3. FY 2008 funds	\$21,251,493

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$143,469,325

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Virginia Barry  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Chris Christie  
Governor of New Jersey  
State House  
125 West State Street, CN-001  
Trenton, New Jersey 08625

Dear Governor Christie:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$838,993,945
2. Non-ARRA FY 2009 funds	\$679,903,367
3. FY 2008 funds	\$179,549,066

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$942,875,460

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Bret Schundler  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Bill Richardson  
Governor of New Mexico  
Capitol Building, Suite 400  
Santa Fe, New Mexico 87501

Dear Governor Richardson:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$426,371,951
2. Non-ARRA FY 2009 funds	\$249,362,543
3. FY 2008 funds	\$55,989,227

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$420,690,351

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Veronica Garcia  
Secretary of Education

Enclosures

April 5, 2010

Honorable David A. Paterson  
Governor of New York  
State Capitol  
Albany, New York 12224

Dear Governor Paterson:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$4,279,335,085
2. Non-ARRA FY 2009 funds	\$1,912,472,609
3. FY 2008 funds	\$192,972,849

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$2,848,644,313

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable David Steiner  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Beverly Perdue  
Governor of North Carolina  
20301 Mail Service Center  
Raleigh, NC 27699-0301

Dear Governor Perdue:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$1,203,557,423
2. Non-ARRA FY 2009 funds	\$609,344,345
3. FY 2008 funds	\$51,571,682

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$1,079,899,207

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable June St. Clair Atkinson  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable John Hoeven  
Governor of North Dakota  
State Capitol  
Bismarck, North Dakota 58505

Dear Governor Hoeven:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$99,912,456
2. Non-ARRA FY 2009 funds	\$79,737,933
3. FY 2008 funds	\$13,516,298

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$143,753,718

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Wayne G. Sanstead  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Ted Strickland  
Governor of Ohio  
77 S. High Street, 30th Floor  
Columbus, Ohio 43215-6117

Dear Governor Strickland:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$1,985,485,837
2. Non-ARRA FY 2009 funds	\$847,759,799
3. FY 2008 funds	\$34,923,400

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$1,419,031,703

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Deborah S. Delisle  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Brad Henry  
Governor of Oklahoma  
State Capitol, Room 212  
Oklahoma City, Oklahoma 73105

Dear Governor Henry:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

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The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$547,222,914
2. Non-ARRA FY 2009 funds	\$400,125,365
3. FY 2008 funds	\$12,808,663

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$540,481,882

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- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Sandy Garrett  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Ted Kulongoski  
Governor of Oregon  
State Capitol, Room 453  
Salem, Oregon 97310-0001

Dear Governor Kulongoski:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$536,258,725
2. Non-ARRA FY 2009 funds	\$278,291,258
3. FY 2008 funds	\$42,403,423

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$429,255,040

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- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Susan Castillo  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Edward G. Rendell  
Governor of Pennsylvania  
225 Main Capitol Building  
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$2,417,981,668
2. Non-ARRA FY 2009 funds	\$803,871,853
3. FY 2008 funds	\$122,557,993

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$1,475,577,915

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- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Gerald L. Zahorchak  
Secretary of Education

Enclosures

April 5, 2010

Honorable Don Carcieri  
Governor of Rhode Island  
State House  
Providence, Rhode Island 02903

Dear Governor Carcieri:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$169,107,289
2. Non-ARRA FY 2009 funds	\$116,643,010
3. FY 2008 funds	\$7,075,207

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$152,024,450

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- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Deborah Gist  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Mark Sanford  
Governor of South Carolina  
P.O. Box 11829  
Columbia, South Carolina 29211

Dear Governor Sanford:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$886,044,265
2. Non-ARRA FY 2009 funds	\$475,521,940
3. FY 2008 funds	\$34,024,355

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$583,455,364

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Jim Rex  
Superintendent of Education

Enclosures

April 5, 2010

Honorable M. Michael Rounds  
Governor of South Dakota  
State Capitol  
500 East Capitol  
Pierre, South Dakota 57501

Dear Governor Rounds:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$112,594,150
2. Non-ARRA FY 2009 funds	\$81,899,663
3. FY 2008 funds	\$6,517,887

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$179,558,444

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The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Thomas J. Oster  
Secretary of Education

Enclosures

April 5, 2010

Honorable Phil Bredesen  
Governor of Tennessee  
State Capitol  
Nashville, Tennessee 37243-0001

Dear Governor Bredesen:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$1,064,401,841
2. Non-ARRA FY 2009 funds	\$461,699,161
3. FY 2008 funds	\$53,188,689

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$756,455,921

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

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The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Timothy K. Webb  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Rick Perry  
Governor of Texas  
Post Office Box 12428  
Austin, Texas 78711

Dear Governor Perry:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

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The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$5,196,885,867
2. Non-ARRA FY 2009 funds	\$2,128,364,890
3. FY 2008 funds	\$442,451,309

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$3,526,279,493

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Robert Scott  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Gary R. Herbert  
Governor of Utah  
State Capitol, Room 210  
Salt Lake City, Utah 84114

Dear Governor Herbert:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$305,733,778
2. Non-ARRA FY 2009 funds	\$234,531,104
3. FY 2008 funds	\$37,300,961

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$294,979,868

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Larry Shumway  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable James Douglas  
Governor of Vermont  
Pavilion Office Building  
Montpelier, Vermont 05609

Dear Governor Douglas:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$107,838,338
2. Non-ARRA FY 2009 funds	\$60,665,282
3. FY 2008 funds	\$7,268,876

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$109,255,769

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Armando Vilaseca  
Commissioner of Education

Enclosures

April 5, 2010

Honorable Robert F. McDonnell  
Governor of Virginia  
State Capitol  
Richmond, Virginia 23219

Dear Governor McDonnell:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$1,432,720,858
2. Non-ARRA FY 2009 funds	\$566,122,353
3. FY 2008 funds	\$121,151,885

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$826,911,186

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Patricia I. Wright  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Christine Gregoire  
Governor of Washington  
Legislative Building  
Olympia, Washington 98504

Dear Governor Gregoire:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$704,026,983
2. Non-ARRA FY 2009 funds	\$423,765,178
3. FY 2008 funds	\$37,419,293

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$705,167,812

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Randy Dorn  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Joe Manchin III  
Governor of West Virginia  
State Capitol  
Charleston, West Virginia 25305

Dear Governor Manchin:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$387,817,464
2. Non-ARRA FY 2009 funds	\$161,420,093
3. FY 2008 funds	\$22,976,546

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$261,401,466

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Steve Paine  
Superintendent of Schools

Enclosures

April 5, 2010

Honorable Jim Doyle  
Governor of Wisconsin  
State Capitol, Room 205 West  
Madison, Wisconsin 53707

Dear Governor Doyle:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$614,953,474
2. Non-ARRA FY 2009 funds	\$407,770,817
3. FY 2008 funds	\$22,363,316

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$627,790,670

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Tony Evers  
State Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Dave Freudenthal  
Governor of Wyoming  
State Capitol  
Cheyenne, Wyoming 82002-0001

Dear Governor Freudenthal:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, your State has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to your State and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$149,550,949
2. Non-ARRA FY 2009 funds	\$74,781,358
3. FY 2008 funds	\$10,467,577

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$121,220,876

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Jim McBride  
Superintendent of Public Instruction

Enclosures

April 5, 2010

Honorable Adrian M. Fenty  
Mayor of the District of Columbia  
1350 Pennsylvania Avenue, NW, Suite 316  
Washington, DC 20004

Dear Mayor Fenty:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, the District of Columbia has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to the District of Columbia and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$161,260,978
2. Non-ARRA FY 2009 funds	\$103,340,469
3. FY 2008 funds	\$22,496,813

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$119,288,787

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Kerri L. Briggs  
State Superintendent of Education

Enclosures

April 5, 2010

Honorable Luis Fortuño  
Governor of Puerto Rico  
La Fortaleza  
San Juan, Puerto Rico 00901-1793

Dear Governor Fortuño:

I am writing to you regarding the fiscal challenges many States are facing relative to their education budgets. First, I would like to review the maintenance-of-effort (MOE) requirements in section 14005(d)(1) of the American Recovery and Reinvestment Act of 2009 (ARRA). As a condition of receiving funds under the State Fiscal Stabilization Fund (SFSF) program, Puerto Rico has assured that it will provide, for each of fiscal years (FYs) 2009 through 2011, at least the levels of support for elementary and secondary education and for public institutions of higher education as it provided for FY 2006. A State has a continuing obligation to meet the SFSF MOE requirements through FY 2011 even if it spends all of its SFSF funds prior to that fiscal year.

Please note that, as part of the MOE requirement, States are required to amend their SFSF applications to reflect any known changes to a level of support for education previously reported and to provide data for unreported years as this information becomes available. Detailed guidance on the SFSF MOE requirements is available on the U.S. Department of Education's (Department) Web site at <http://www2.ed.gov/programs/statestabilization/applicant.html>.

As you know, approval of a State's SFSF phase one and phase two applications is an eligibility requirement that must be met before a State may receive a Race to the Top grant. Continued compliance with these MOE provisions will be a grant condition on receipt of any Race to the Top funds.

The Department continues to monitor State budgetary actions to ensure that each State meets its fiscal obligations. If the Department determines through monitoring or an audit that a State is failing to do so, it will take appropriate enforcement actions against the State. Such actions may include, among other things, the disapproval of the State's application for SFSF phase two funding or the recovery of SFSF funds previously awarded to the State.

At the same time, I do not underestimate the current fiscal challenges and pressures that exist in States and districts around the country. Many difficult decisions and hard choices must be made. In making these decisions, you should be aware of the Federal education funds that the Department has previously awarded to Puerto Rico and that may still be available to support State and local activities consistent with applicable Federal requirements. These amounts include, but are not limited to, funds appropriated under the ARRA.

The following table provides a summary of your State's formula fund balances in the Department's financial management system. Please see enclosures for specific details.

	<b>Estimated Amount of Formula Funds Remaining</b>
1. Funds appropriated under ARRA	\$908,104,777
2. Non-ARRA FY 2009 funds	\$763,485,780
3. FY 2008 funds	\$353,177,998

Furthermore, your State will soon have the following additional funds made available by the FY 2010 appropriation; see enclosures for specific details.

	<b>Estimated FY 2010 Formula Grant Allocation</b>
FY 2010 grant funds	\$969,012,316

I know that you agree with me that all children in America deserve access to a high-quality education that prepares them to succeed in college and the workplace. It is our joint responsibility to support such an education in order to ensure our Nation's future prosperity. I hope this information is helpful in planning your State's education budget and using all available funds to continue your improvement efforts. If you have further questions, please see below for the appropriate Department contact:

- MOE requirement and the State Fiscal Stabilization Fund: Dr. Joseph Conaty, Director, Academic Improvement and Teacher Quality Programs, 202-260-8230
- Fund balances and timing: Thomas Skelly, Chief Financial Officer, 202-401-1700
- All other questions: Stacey Jordan, Director, Intergovernmental Affairs, 202-401-0026

The Department is committed to working with you to ensure that these funds are used effectively.

Sincerely,

/s/

Arne Duncan

cc: Honorable Odette Piñeiro Caballero  
Secretary of Education

Enclosures