



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

June 3, 2011

The Honorable Lincoln Chafee
Office of the Governor
222 State House
Providence, RI 02903

Dear Governor Chafee:

During the week of April 26, 2011, staff from the State Fiscal Stabilization Fund (SFSF) program from the U.S. Department of Education conducted the first of two monitoring reviews of your State's implementation of the SFSF program. Your State's SFSF contacts were extremely helpful in coordinating and responding to this on-site review.

During the monitoring review, we discussed your State's policies, procedures, and activities related to the SFSF program. We spoke with officials at local educational agencies (LEAs) and public institutions of higher education (IHEs) that have received Education Stabilization Fund grants, as well as with representatives of entities that have received Government Services Fund grants. A complete description of the scope of the monitoring review and the SFSF monitoring protocols are available on the Department's website at www.ed.gov/programs/statestabilization/applicant.

The Department found that the State implemented the program expeditiously and effectively in order to meet the financial needs of LEAs, IHEs, and other State agencies. This report demonstrates Rhode Island's commitment to ensuring that the funds were spent quickly, while balancing the need for accountability and transparency. The Department specifically commends the State for providing good guidance to subrecipients about 1512 quarterly reporting and, through its strong systems, keeping their reporting burden to a minimum.

The Department identified one issue regarding the State's implementation of the program. The State did not allocate SFSF funds to charter LEAs in FY 2009. The State noted, however, that it

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would have reduced State education aid by the amount of any SFSF funds awarded to charter LEAs, as it did for non-charter LEAs. As a result, there was no harm to charter LEAs from this issue, and the State did allocate SFSF funds to charter LEAs in subsequent years. Thus, no further action by the State is necessary.

The Department is grateful for the cooperation and responsiveness of the staff in Rhode Island. Monitoring not only helps States to achieve high-quality implementation but also helps the Department to improve its role as an advisor and partner with States in this effort. As we work together, we want this process to be interactive and helpful.

We will be contacting your office in the future to schedule a desk monitoring review of the State's implementation of the SFSF program. We look forward to collaborating with you and the other officials in Rhode Island who are working on this critical educational initiative.

Sincerely,

//s//

Ann Whalen
Director, Policy and Program Implementation
Implementation and Support Unit