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DEPARTMENT OF EDUCATION
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TO: Intermediate and Local School District Superintendents, Public School Academy
Directors, School Business Officials

FROM: Carol L. Wolenberg *CLW*
Deputy Superintendent

DATE: April 15, 2009

SUBJECT: American Recovery and Reinvestment Act (ARRA) Clarification

Earlier today school business officials received an e-mail from MSBO. One of the "articles" was titled "Another Stimulus Clarification" related to the State Fiscal Stabilization Fund (SFSF). I would like to provide additional **critical** clarification to the paragraph that reads:

"One issue that remains unclear is just how districts will receive the SFSF funds that will be considered as restoration of the primary formula. For other ARRA funds, federal guidance has made it clear that these federal funds will need to follow current federal cash draw rules, meaning that you will be reimbursed after you have spent the funds. We are unclear how the funding will flow for the state aid formula portion – the funds could either come as part of your regular state aid payment or you may also have to request reimbursement from the state after spending the funds."

Please delete the last sentence regarding how the stabilization funds will be coming to districts. They cannot and will not flow through the State Aid formula because they are federal dollars which must be applied for and accounted for separately. Districts will access these funds on a reimbursement basis just as all other federal grant funds.

I apologize for the confusion. In working with MSBO to get this message to you, that sentence should have been deleted.

cc: William Mayes
Dave Martell
Dan Quisenberry
Jon Tomlanovich
Jann Jencka
Carol Easlick

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