

**American Recovery and Reinvestment Act (ARRA)  
Reporting Requirements and the New York State  
Supplemental Deficit Reduction Assessment Restoration**

**January 21, 2010**

The April 2009-10 adopted State Budget included a Deficit Reduction Assessment (DRA). The DRA was offset with federal funds known as the Deficit Reduction Assessment Restoration (DRAR). Chapters 502 and 503 of the Laws of 2009 adopted in December 2009 include a Supplemental Deficit Reduction Assessment (SDRA) and offset it with federal funds known as the Supplemental Deficit Reduction Assessment Restoration (SDRAR). The SDRAR is offset with \$391 million of funds available to New York State through the American Recovery and Reinvestment Act (ARRA).

This notice is to clarify aspects of the SDRAR as it relates to General Aid and ARRA reporting. Total General Aid and SDRAR amounts can be viewed on districts' General Aid output report via SAMS. The following provides details about the SDRAR.

- District by district amounts of Total General Aid and SDRAR amounts can be viewed on the districts' General Aid output report via SAMS on-line at <http://stateaid.nysed.gov>.
- The SDRAR does not represent additional funds. The SDRAR is an offset that restores the SDRA.
- The SDRAR is funded with federal ARRA Education Stabilization Funds (ESF).
- Although Education Stabilization funds are used to offset State Aid the funds will be administered as federal grants and federal requirements will apply.
- Section 1512 of the American Reinvestment and Recovery Act (ARRA) requires reporting on the use of funds provided under the Act from all recipients on a quarterly basis. Recipients, including school districts, have reported on the use of ARRA funds for the quarters that end September 30, 2009 and December 31, 2009.
- Districts will report on the use of additional ARRA funds resulting from Chapters 502 and 503 in the quarter ending March 31, 2010. These funds will not affect the December reporting.
- The Department will provide a supplemental ESF application for school districts to complete in early 2010. This application will detail the proposed purposes and budgets for the supplemental funds. Allowable and non-allowable expenses for the SDRAR funds will be the same as for other Education Stabilization funds. See <http://usny.nysed.gov/arra/webinars/reportingqa.html#General> for further details. Upon Department approval, school districts will be authorized to spend these funds for expenses incurred between July 1, 2009 and June 30, 2010.

- As with other ESF funds, school districts will need to account for the supplemental funds separately and follow administrative requirements of the Office of Management and Budget (OMB Circular A-87) and Federal Education Department General Administrative Regulations (EDGAR). For more information on these requirements see <http://www.oms.nysed.gov/cafe>.
- The Department will provide on on-line technical assistance sessions February 2 and 3 to answer questions school districts have on the use of and reporting on Education Stabilization Funds. For more information about these sessions see [http://www.emsc.nysed.gov/mgtserv/arra/html/NYS\\_School\\_Finance\\_and\\_Budget\\_Matters.html](http://www.emsc.nysed.gov/mgtserv/arra/html/NYS_School_Finance_and_Budget_Matters.html). The Department welcomes your questions on ARRA reporting and allowable uses of Education Stabilization funds at [emscmgts@mail.nysed.gov](mailto:emscmgts@mail.nysed.gov) .