

Frank Edelblut
Commissioner



Christine M. Brennan
Deputy Commissioner

STATE OF NEW HAMPSHIRE
DEPARTMENT OF EDUCATION
101 Pleasant Street
Concord, N.H. 03301
TEL (603) 271-3495
FAX (603)-271-1953
Citizens Services Line 1-800-339-9900

August 2, 2019

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, NH 03301

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, NH 03301

REQUESTED ACTION

Pursuant to the provisions of Chapter 145, subparagraph I, (a), Laws of 2019, the Department of Education, Bureau of Special Education requests authorization to exceed the 3/12 limitation of said resolution for the account listed below in the amount of \$5,000,000, for the continued support of the IDEA-Special Education grant, effective upon Fiscal Committee and Governor and Council approval through September 30, 2019. 100% Federal Funds.

Funds to be budgeted as follows:

IDEA-Special Education
Account: 06-56-56-562010-25040000

Class	Description	Adjusted Authorized FY20 Budget	Request Action #1	Adjusted FY20 Budget
<u>Income</u>				
000-404661	Federal Funds	\$ (14,793,560)	\$ (5,000,000)	\$ (19,793,560)
<u>Expenditures</u>				
010-500100	Personal Ser. Perm	\$ 422,583		\$ 422,583
018-500106	Overtime	\$ 11,211		\$ 11,211
020-500200	Current Expenses	\$ 42,222		\$ 42,222

Class	Description	Adjusted Authorized FY20 Budget	Request Action #1	Adjusted FY20 Budget
026-500251	Organizational Dues	\$ 23,635		\$ 23,635
027-582703	Trans to DOIT	\$ 72,021		\$ 72,021
028-582814	Trans to Gen Serv.	\$ 38,794		\$ 38,794
029-500290	Intra-Agency Trans	\$ 56,311		\$ 56,311
030-500301	Equipment	\$ 30,770		\$ 30,770
037-500174	Technology-Hardware	\$ 53,397		\$ 53,397
038-500175	Technology-Software	\$ 4,439		\$ 4,439
039-500191	Telecommunications	\$ 13,586		\$ 13,586
040-500800	Indirect Costs	\$ 367,132		\$ 367,132
041-500801	Audit Fund Set Aside	\$ 51,233		\$ 51,233
042-500620	Add Fringe Benefits	\$ 46,703		\$ 46,703
046-500464	Consultants	\$ 54,726		\$ 54,726
050-500109	Pers. Serv. Temp	\$ 224,224		\$ 224,224
057-500531	Books Periodicals Subs	\$ 2,570		\$ 2,570
060-500601	Benefits	\$ 211,527		\$ 211,527
066-500546	Employee Training	\$ 17,716		\$ 17,716
070-500704	In-State Travel	\$ 33,018		\$ 33,018
072-502626	Grants Federal	\$ 10,003,138	\$ 5,000,000	\$ 15,003,138
080-500710	Out-of-State Travel	\$ 39,916		\$ 39,916
102-500731	Contracts	\$ 2,958,503		\$ 2,958,503
230-500765	Interpreter Service	\$ 14,185		\$ 14,185
	Total	\$ 14,793,560	\$ 5,000,000	\$ 19,793,560

EXPLANATION

Listed below are answers to standard questions required of all Fiscal Committee item requests, related to RSA 9:16-a, "Transfers authorized", RSA 14:30-a, VI "Expenditure of funds over \$100,000 from any Non State Source", or RSA 124:15, "Positions Authorized", or both, and all emergency requests pursuant to "Chapter 145, subparagraph I, (a), Laws of 2019, making temporary appropriations for the expenses and encumbrances of the State of New Hampshire":

1. Is the action required of this request a result of the Continuing Resolution for FY 2020? Yes

2. If this request is retroactive what is the significance and importance of the action being effective from an earlier date?
 This request is not retroactive.

3. Is this a previously funded and ongoing program established through Fiscal Committee and Governor and Executive Council action? (If so, include as an attachment the original documents as approved and cite the specific dates of authorization and end dates for each action as part of your answer to this question.)
 This program was not established through Fiscal Committee and Governor and Executive Council action.

The Honorable Mary Jane Wallner, Chairman
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4. Was funding for this program included in the FY 2018-2019 enacted Budget or requested and denied?
Funding for this program was included in the FY 2018-2019 enacted budget.

5. Is this program in total or in part, included in the vetoed FY 2020-2021 Operating Budget proposal currently pending for your department, or was it requested and denied?
Funding for this program was included, in full, in the FY 2020-2021 Operating Budget proposal.

6. Does this program include, either positions or consultants, and if so are the positions filled, vacant, or have offers pending? (Please provide details for each position and note whether consultant contracts have been awarded.)

There are no positions being funded by this fiscal item.

7. What would be the effect should this program be discontinued or not initiated as a result of this request being denied?

The US Department of Education awards funds to Local Education Agency's (LEA's) on a formula basis. Without the requested funds, the NH Department of Education will be unable to reimburse funds to LEA's that have been expended under this award.

The NH Department of Education receives an IDEA-Special Education award authorized under Part B of the Individuals with Disabilities Education Act (IDEA Part B). This is a formula grant for states to assist in providing a free appropriate public education in the least restrictive environment for children with disabilities ages 3 through 21. The IDEA grant requires that the funds be awarded to local educational agencies (LEAs). The purposes of this Part are to ensure that all children with disabilities have available to them a free appropriate public education that emphasizes special education and related services designed to meet their unique needs and prepare them for further education, employment, and independent living; to ensure that the rights of children with disabilities and their parents are protected; to assist States, localities, educational service agencies, and Federal agencies to provide for the education of all children with disabilities; and to assess and ensure the effectiveness of efforts to educate children with disabilities. Included in the IDEA-Special Education award are discretionary funds. These funds are to help support technical assistance and dissemination, technology and media services, state personnel development grants, personnel preparation, state data collections and parent training and information centers.

The following appropriation authorities are being requested:

Class 072 Grants - Federal Additional appropriation needed to fulfill grant obligations to LEA's

The Department has conducted a detailed review of these line items in the budget to ensure that available funds are maximized to the greatest degree possible:

Respectfully Submitted,



FOR Frank Edelblut
Commissioner of Education

Frank Edelblut
Commissioner



Christine Brennan
Deputy Commissioner

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DEPARTMENT OF EDUCATION
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FISCAL SITUATION

Special Education IDEA Grants – AU 25040000

FFY2017 G5 Balance – 7/1/2019	\$3,686,046
FFY2018 G5 Balance – 7/1/2019	\$31,522,809
FFY2019 Grant Award	\$12,178,697
Less: Total FY 2020 Adjusted Authorized Budget	<u>(\$14,793,560)</u>
Available to Accept	\$32,593,992
Amount Requested this Action	<u><u>\$5,000,000</u></u>

*On April 9, 2019, the NHDOE received a letter from the U.S. Department of Education, Office of Special Education Programs reauthorizing \$9,446,087.62 in Federal Dollars to be spend by Local Education Authority's (LEA) through September 30, 2020. In normal years, we would anticipate to spend approximately \$12,000,000 out of class 072 in this three-month period. Due to the re-authorization, we are estimating additional expenditures of \$3,000,000 that may be expended by LEA's. This letter has been attached for reference.

Payments Summary Confirmation

Skip To Page Content

DUNS 808590277 Institution Name EDUCATION, NEW HAMPSHIRE DEPARTMENT OF

Enter Payments

Create payments using the form below. An * indicates a required field.

Total Records: 44 Page 1 of 1 Jump to Page Awards/Page: [Show All Awards](#)

Award No.	Payment Amount (\$)	Deposit Date (MM/DD/YYYY)	Recipient Reference	Available Balance	Net Authorization	Last Day to Draw	Bank Account	Flag
H027A170103	<input type="text"/>	07/02/2019 <input type="checkbox"/>	823 2504	\$3,686,045.81	\$48,863,286.00	12/30/2019	****1202 ACH	
H027A180103	<input type="text"/>	07/02/2019 <input type="checkbox"/>	923 2504	\$31,522,809.23	\$49,813,585.00	12/30/2020	****1202 ACH	
H126A180042	<input type="text"/>	07/02/2019 <input type="checkbox"/>	890 2538	\$2,756.82	\$11,428,998.00	01/02/2020	****1202 ACH	
H126A190042	<input type="text"/>	07/02/2019 <input type="checkbox"/>	990 2538	\$8,445,042.36	\$9,287,086.00	12/30/2019	****1202 ACH	
H173A170109	<input type="text"/>	07/02/2019 <input type="checkbox"/>	824 2505	\$380,050.33	\$1,512,716.00	12/30/2019	****1202 ACH	
H173A180109	<input type="text"/>	07/02/2019 <input type="checkbox"/>	924 2505	\$1,305,657.89	\$1,560,343.00	12/30/2020	****1202 ACH	
H177B180029	<input type="text"/>	07/02/2019 <input type="checkbox"/>	893 2549	\$9,417.20	\$225,000.00	01/02/2020	****1202 ACH	
H177B190029	<input type="text"/>	07/02/2019 <input type="checkbox"/>	993 2549	\$157,228.25	\$225,000.00	12/30/2019	****1202 ACH	
H187A180043	<input type="text"/>	07/02/2019 <input type="checkbox"/>	898 2539	\$19,711.60	\$150,000.00	01/02/2020	****1202 ACH	
H187A190043	<input type="text"/>	07/02/2019 <input type="checkbox"/>		\$150,000.00	\$150,000.00	12/30/2019	****1202 ACH	
H187B180043	<input type="text"/>	07/02/2019 <input type="checkbox"/>	898 2539	\$139,773.53	\$150,000.00	01/02/2020	****1202 ACH	

Total Records: 44 Page 1 of 1 Jump to Page Awards/Page: [Show All Awards](#)



**US Department of Education
Washington, D.C. 20202**

H027A190103

GRANT AWARD NOTIFICATION

1	RECIPIENT NAME NEW HAMPSHIRE DEPT. OF EDUCATION 101 PLEASANT STREET CONCORD, NH 03301 - 3860	2	AWARD INFORMATION <table style="width:100%; border:none;"> <tr> <td style="padding-right:20px;">PR/AWARD NUMBER</td> <td>H027A190103</td> </tr> <tr> <td>ACTION NUMBER</td> <td>1</td> </tr> <tr> <td>ACTION TYPE</td> <td>New</td> </tr> <tr> <td>AWARD TYPE</td> <td>Formula</td> </tr> </table>	PR/AWARD NUMBER	H027A190103	ACTION NUMBER	1	ACTION TYPE	New	AWARD TYPE	Formula												
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ACTION TYPE	New																						
AWARD TYPE	Formula																						
3	PROJECT STAFF RECIPIENT STATE DIRECTOR SANTINA THIBEDEAU <u>santina.thibedeau@doe.nh.gov</u> EDUCATION PROGRAM CONTACT Gregory Corr (202) 245-7309 <u>gregg.corr@ed.gov</u> EDUCATION PAYMENT HOTLINE G5 PAYEE HELPDESK 888-336-8930 <u>edcaps.user@ed.gov</u>	4	PROJECT DESCRIPTION 84.027A STATE GRANT - B																				
5	KEY PERSONNEL N/A																						
6	AWARD PERIODS <table style="width:100%; border:none;"> <tr> <td style="padding-right:20px;">BUDGET PERIOD</td> <td>07/01/2019 - 09/30/2020</td> </tr> <tr> <td>FEDERAL FUNDING PERIOD</td> <td>07/01/2019 - 09/30/2020</td> </tr> </table> FUTURE BUDGET PERIODS N/A			BUDGET PERIOD	07/01/2019 - 09/30/2020	FEDERAL FUNDING PERIOD	07/01/2019 - 09/30/2020																
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7	AUTHORIZED FUNDING <table style="width:100%; border:none;"> <tr> <td style="padding-right:20px;">CURRENT AWARD AMOUNT</td> <td>\$12,178,697.00</td> </tr> <tr> <td>PREVIOUS CUMULATIVE AMOUNT</td> <td>\$0.00</td> </tr> <tr> <td>CUMULATIVE AMOUNT</td> <td>\$12,178,697.00</td> </tr> </table>			CURRENT AWARD AMOUNT	\$12,178,697.00	PREVIOUS CUMULATIVE AMOUNT	\$0.00	CUMULATIVE AMOUNT	\$12,178,697.00														
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8	ADMINISTRATIVE INFORMATION <table style="width:100%; border:none;"> <tr> <td style="padding-right:20px;">DUNS/SSN REGULATIONS</td> <td>808590277 CFR PART 300 EDGAR AS APPLICABLE 2 CFR AS APPLICABLE</td> </tr> <tr> <td>ATTACHMENTS</td> <td>1, 3, 8, 9, 10, 11, 12, 13, 14, E-3, E4, E5</td> </tr> </table>			DUNS/SSN REGULATIONS	808590277 CFR PART 300 EDGAR AS APPLICABLE 2 CFR AS APPLICABLE	ATTACHMENTS	1, 3, 8, 9, 10, 11, 12, 13, 14, E-3, E4, E5																
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9	LEGISLATIVE AND FISCAL DATA AUTHORITY: PL 108-446 PART - B INDIVIDUAL WITH DISABILITIES EDUCATION ACT PROGRAM TITLE: SPECIAL EDUCATION - GRANTS TO STATES CFDA/SUBPROGRAM NO: 84.027A																						
<table style="width:100%; border:none;"> <thead> <tr> <th style="text-align:left;">FUND CODE</th> <th style="text-align:left;">FUNDING YEAR</th> <th style="text-align:left;">AWARD YEAR</th> <th style="text-align:left;">ORG. CODE</th> <th style="text-align:left;">CATEGORY</th> <th style="text-align:left;">LIMITATION</th> <th style="text-align:left;">ACTIVITY</th> <th style="text-align:left;">CFDA</th> <th style="text-align:left;">OBJECT CLASS</th> <th style="text-align:right;">AMOUNT</th> </tr> </thead> <tbody> <tr> <td>0300M</td> <td>2019</td> <td>2019</td> <td>EH000000</td> <td>B</td> <td>K90</td> <td>000</td> <td>027</td> <td>4101A</td> <td style="text-align:right;">\$12,178,697.00</td> </tr> </tbody> </table>				FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT	0300M	2019	2019	EH000000	B	K90	000	027	4101A	\$12,178,697.00
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US Department of Education
Washington, D.C. 20202

H027A190103

GRANT AWARD NOTIFICATION

10 PR/AWARD NUMBER: H027A190103
RECIPIENT NAME: NEW HAMPSHIRE DEPT. OF EDUCATION

TERMS AND CONDITIONS

- (1) The Office of Management and Budget requires all Federal agencies to assign a Federal Award Identifying Number (FAIN) to each of their financial assistance awards. The PR/AWARD NUMBER identified in Block 2 is your FAIN.

If subawards are permitted under this grant, and you choose to make subawards, you must document the assigned PR/AWARD NUMBER (FAIN) identified in Block 2 of this Grant Award Notification on each subaward made under this grant. The term subaward means:

1. A legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 2. The term does not include your procurement of property and services needed to carry out the project or program (The payments received for goods or services provided as a contractor are not Federal awards, see 2 CFR 200.501(f) of the OMB Uniform Guidance: "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards").
 3. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- (2) You are authorized, in carrying out this grant, to utilize the higher threshold set for micro-purchase and simplified acquisition thresholds for federal assistance under this grant or under a contract you award under this grant established by recent statutory changes. These statutory changes raise the threshold for micro-purchases under Federal financial assistance awards to \$10,000 and raise the threshold for simplified acquisitions to \$250,000 for recipients. These higher thresholds are not effective until implemented in the Federal Acquisition Regulations (FAR) at 48 CFR Subpart 2.1 (Definitions), which has not yet occurred. See 2 CFR 200.67 and 200.88. For FY 2018, OMB is granting an exception allowing recipients to use the higher thresholds in advance of changes to the FAR. Please refer to Office of Management and Budget's Memorandum 18-18 regarding the statutory changes. If you have any questions about these regulations, please contact the program officer identified in Block 3 of this GAN.
- (3) The negotiated indirect cost rate or the indirect cost allocation plan approved for the entity identified in Block 1 of this GAN applies to this grant award.
- (4) WHEN ISSUING STATEMENTS, PRESS RELEASES, REQUESTS FOR PROPOSALS, BID SOLICITATIONS, AND OTHER DOCUMENTS DESCRIBING THIS PROJECT OR PROGRAMS FUNDED IN WHOLE OR IN PART WITH FEDERAL MONEY, ALL GRANTEEES RECEIVING FEDERAL FUNDS, INCLUDING BUT NOT LIMITED TO STATE AND LOCAL GOVERNMENTS, SHALL STATE CLEARLY:
- 1) THE DOLLAR AMOUNT OF FEDERAL FUNDS FOR THE PROJECT,
 - 2) THE PERCENTAGE OF THE TOTAL COST OF THE PROJECT THAT WILL BE FINANCED WITH FEDERAL FUNDS, AND
 - 3) THE PERCENTAGE AND DOLLAR AMOUNT OF THE TOTAL COST OF THE PROJECT THAT WILL BE FINANCED BY NON-GOVERNMENTAL SOURCES.

AS OF 07/01/97, FEDERAL FISCAL YEAR (FFY) WILL REFER TO THE YEAR THE FUNDS WERE APPROPRIATED.

- (5) UNDER THE "TYDINGS AMENDMENT," SECTION 421(b) OF THE GENERAL EDUCATION PROVISIONS ACT, 20 U.S.C. 1225(b), ANY FUNDS THAT ARE NOT OBLIGATED AT THE END OF THE FEDERAL FUNDING PERIOD SPECIFIED IN BLOCK 6 SHALL REMAIN AVAILABLE FOR OBLIGATION FOR AN ADDITIONAL PERIOD OF 12 MONTHS.



US Department of Education
Washington, D.C. 20202

H027A190103

GRANT AWARD NOTIFICATION

Signature valid

Digitally signed by Yvette Thompson

Date: Sat Jun 29 10:29:38 EDT 2019

AUTHORIZING OFFICIAL

DATE



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

APR -9 2019

Frank Edelblut
Commissioner
New Hampshire Department of Education
101 Pleasant Street
Concord, NH 03301

Dear Commissioner Edelblut:

The purpose of this letter is to respond to the New Hampshire Department of Education's (NHDOE's) January 2, 2019 letter and proposal regarding its practice of 1) reducing the amounts of its local educational agencies' (LEAs') expiring Individual with Disabilities Education Act (IDEA) section 611 and section 619 subgrants prior to the end of their 27-month period of availability and 2) retroactively transferring expenditures from more recently allocated IDEA Part B subgrants to draw down the expiring subgrants without the LEAs' knowledge (transfer practice). This transfer practice has been utilized by NHDOE for at least 12 years and resulted in the State reallocating funds to LEAs in a manner inconsistent with IDEA and its regulations in 34 CFR §§300.705(c) and 300.817 and not ensuring all LEAs in the State had knowledge of the full amount of their IDEA Part B funds available for obligation at any given time, in accordance with section 421(b) of the General Education Provisions Act (GEPA) and 34 CFR §76.709(b).¹ Specifically, NHDOE did not ascribe LEAs' expenditures of IDEA Part B subgrant funds to the subgrant intended by the LEA, which resulted in \$9,446,087.62 of IDEA section 611 funds and \$838,599.32 of IDEA section 619 funds that NHDOE cannot trace back to LEAs entitled to those funds (IDEA transfer funds). In its letter NHDOE sought to end the transfer practice over the next four Federal fiscal years (FFYs) by distributing the IDEA transfer funds using the population and poverty components of the IDEA Part B subgrant formulas in 34 CFR §§300.705(b)(3) and 300.816(c), starting in FFY 2019 through FFY 2022.

While the Office of Special Education Programs (OSEP) understands NHDOE would like to extend the practice over the next four fiscal years to avert a "cliff effect" where there will be a sudden decrease in additional funds, OSEP does not have the authority to extend the period of availability in section 421(b) of GEPA and 34 CFR §76.709(b) and allow NHDOE or its LEAs to obligate FFY 2017 funds after September 30, 2019. However, in order to provide LEAs additional time to plan for and obligate the entire amount of their subgrant and limit a "cliff effect", OSEP will allow some additional time and flexibility to mitigate any potential harm to children with disabilities and provide additional resources to children in a timely manner.

¹ IDEA Part B grants are "forward funded," meaning that a portion of the IDEA funds are made available three months prior to the start of the Federal fiscal year (i.e., on July 1) and the remainder of the funds are made available on October 1. Under 34 CFR §76.709(a), which implements section 421(b) of the General Education Provisions Act, known as the Tydings Amendment, if a State or a subgrantee does not obligate all of its grant or subgrant funds by the end of the fiscal year for which Congress appropriated the funds, it may obligate the funds during a carryover period of one additional fiscal year. See 20 U.S.C. §1225(b)(1). 34 CFR §76.709(b) requires the State to return to the Federal government any carryover funds not obligated by the State or its subgrantees at the conclusion of the carryover period. Therefore, funds under Part B of the IDEA are available for obligation by the State and its subgrantees from either July 1 or October 1 through September 30 of the fiscal year following the fiscal year in which Congress appropriated the funds. Through the combination of forward funding and the Tydings Amendment, SEAs and LEAs have 27 months to obligate the IDEA Part B funds that become available on July 1 and 24 months to obligate the IDEA Part B funds that become available on October 1.

400 MARYLAND AVE. S.W., WASHINGTON, DC 20202-2600
www.ed.gov

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

During OSEP's February 25, 2019, meeting with NHDOE, OSEP found that NHDOE's subgranting procedures were also inconsistent with IDEA. Specifically, OSEP found that: (1) NHDOE did not include the enrollment of children in private elementary schools and secondary schools within the LEA's jurisdiction when calculating the population portion of the IDEA sections 611 and 619 subgrants; and (2) NHDOE did not include the relative numbers of children enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction when calculating the population portion of the IDEA section 619 subgrant. This issue must be fixed prior to addressing the issue of the transfer funds.

In order to resolve NHDOE's transfer process and its failure to allocate IDEA sections 611 and 619 subgrant funds in accordance with IDEA requirements, OSEP is requiring that NHDOE take the following actions:

a. Within 90 days of receipt of this correspondence, NHDOE must recalculate FFYs 2017 and 2018 IDEA sections 611 and 619 subgrant allocations. After reserving funds for base payments, the State must allocate 85 percent of any remaining funds to LEAs on the basis of the relative numbers of children enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction and then allocate 15 percent of those remaining funds to those LEAs in accordance with their relative numbers of children living in poverty, as determined by the SEA, as required by 34 CFR §§300.705 and 300.816.

1. For any LEA whose section 611 or section 619 allocation was less than the amount to which it was entitled in FFY 2017 and/or FFY 2018, NHDOE must determine the difference between the amount the LEA actually received and the amount of the allocation the LEA should have received, and;
2. Any LEA that received less than the amount of section 611 or section 619 funds to which it was entitled in FFY 2017 and/or FFY 2018 must be made whole. The State may use: (1) any remaining FFY 2017 and FFY 2018 section 611 and/or section 619 State set-aside funds or any FFY 2019 section 611 and/or section 619 State set-aside funds that become available on July 1, 2019; (2) use State funds²; or (3) make downward adjustments to over-allocated LEAs' future allocations and upward adjustments to under-allocated LEAs' future allocations. If the State chooses either option (2) or (3), the State and affected LEAs must consider the impact on those LEAs' ability to meet the maintenance-of-effort requirement, given any change to those LEAs' expenditures for the education of children with disabilities using State and/or local funds could impact their ability to meet the local maintenance-of-effort requirement in 34 CFR §300.203.

b. For the FFY 2017 IDEA Part B grants that the Department made available to NHDOE on July 1, 2017 and whose period of availability ends on September 30, 2019, OSEP will allow NHDOE to expend those FFY 2017 funds not to exceed \$9,446,087.62 of IDEA section 611 funds and \$838,599.32 of IDEA section 619 funds by utilizing the transfer practice outlined above, because States are permitted to use FFY 2017 funds to pay for expenditures incurred between July 1, 2017 and September 30, 2019. NHDOE must have supporting documentation that the obligations charged to the FFY 2017 IDEA Part B grants occurred between July 1, 2017 and September 30, 2019.

1. Upon completion of the transfer practice, NHDOE must distribute the entire amount of the IDEA transfer funds in NHDOE's FFY 2018 IDEA Part B grant in an amount not to exceed \$9,446,087.62 of IDEA section 611 funds and \$838,599.32 of IDEA section 619 funds to all eligible LEAs based on the following formula:

² If a State uses State funds to make under-allocated LEAs whole, the State must demonstrate that those State funds are funds the under-allocated LEAs would not have otherwise received.

- i. 85 percent of the above amounts to New Hampshire's LEAs on the basis of the relative numbers of children enrolled in public and private elementary schools and secondary schools within the LEA's jurisdiction; and
 - ii. 15 percent of the above amounts to its LEAs in accordance with their relative numbers of children living in poverty, as determined by the NHDOE.
2. The entire FFY 2018 allocation must be obligated by September 30, 2020. In order to ensure that LEAs understand they have the full 27 months from July 1, 2018, through September 30, 2020 to obligate FFY 2018 IDEA Part B funds, New Hampshire may not apply its transfer practice to FFY 2018 funds (i.e., may not charge expenditures incurred in FFY 2019 to FFY 2018 funds without LEAs' knowledge). However, New Hampshire may reallocate funds from LEAs that are unable to obligate FFY 2018 funds by September 30, 2020, but it must do so consistent with the reallocation procedures in 34 CFR §§300.705(c) and 300.817.
- c. Within 90 days of the receipt of this letter, NHDOE must submit to OSEP:
 - i. Revised State policies and procedures that demonstrate that NHDOE will allocate IDEA subgrants to all eligible LEAs in accordance with 34 CFR §§300.705 and 300.816;
 - ii. Documentation demonstrating that NHDOE has made whole any LEA that received less than the amount of section 611 or section 619 funds to which it was entitled in FFY 2017 and/or FFY 2018 ;
 - iii. Documentation that NHDOE has developed reallocation procedures consistent with 34 CFR §§300.705(c) and 300.817;
 - iv. Documentation that NHDOE has developed internal controls and no longer utilizes the transfer practice;
 - v. An assurance that FFY 2018 IDEA sections 611 and 619 subgrants were expended for allowable purposes under the IDEA and did not result in LEAs reducing their level of effort under 34 CFR §300.203; and
 - vi. A copy of the correspondence in which the State has informed its State audit office that is responsible for conducting audits in accordance with the Single Audit Act and the Uniform Guidance, of this finding of noncompliance and OSEP's required corrective actions.

We appreciate your cooperation in this matter. If you have further questions, please contact your State lead, Jennifer Barrett-Zitkus, at Jennifer.Barrett-Zitkus@ed.gov or 202-245-8417.

Sincerely,



Laurie Vanderploeg
Director
Office of Special Education Programs

cc: Santina Thibedeau