U.S. DEPARTMENT OF EDUCATION FACT SHEET

Section 2014 of the American Rescue Plan Act of 2021 and the Individuals with Disabilities Education Act

Part B and Part C of the Individuals with Disabilities Education Act (IDEA) authorize assistance to States to support the provision of special education and related services to children with disabilities and the provision and coordination of early intervention services for infants and toddlers with disabilities and their families, respectively. Section 2014(a) of the American Rescue Plan Act of 2021 (ARP) provided more than $3 billion in supplemental funding for Fiscal Year 2021 for the three IDEA formula grant programs described below:

- $2,580,000,000 for IDEA Part B Grants to States (Section 611)
- $200,000,000 for IDEA Part B Preschool Grants (Section 619)
- $250,000,000 for IDEA Part C Grants for Infants and Families

This document provides an overview of the major statutory and regulatory requirements for IDEA Part B and Part C. Supplemental funding made available by the ARP is subject to the same requirements as Federal fiscal year (FFY) 2021 IDEA funding made available under Public Law 116-260 (The Consolidated Appropriations Act of 2021).

Part B of the IDEA provides funds to eligible States and entities under the Grants to States program authorized by section 611 of IDEA for children with disabilities aged three through 21 and the Preschool Grants program authorized by section 619 of IDEA for children with disabilities aged three through five. The IDEA Part B funds assist States, and through them, eligible local educational agencies (LEAs), in providing special education and related services to children with disabilities. Part B funds are awarded to each State educational agency (SEA) that has established its eligibility under section 612 of IDEA for IDEA Part B funds to assist in providing special education and related services to eligible children with disabilities.[1]. States are required to distribute any IDEA section 611 and section 619 funds that the State does not reserve for State-level activities[2] to LEAs that have established their eligibility under section 613 of IDEA under a statutory formula and must be used only to pay the excess costs of providing special education and related services in accordance with part B of IDEA.[3] All IDEA Part B ARP funds must be used consistently with the current IDEA Part B statutory and regulatory requirements.

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[1] See also 34 C.F.R. § 300.100.
[2] States are limited in the amount they may reserve for State-level activities by the formula in 34 C.F.R. § 300.704.
[3] 34 C.F.R. §§ 300.705(a) and 300.815; see also 34 C.F.R. § 300.202(a)(2).

Part C of the IDEA provides funds to each State lead agency designated by the Governor to implement statewide systems of coordinated, comprehensive, multidisciplinary, interagency programs to make early intervention services available to infants and toddlers with disabilities and their families. All IDEA Part C ARP funds must be used consistently with the current IDEA Part C statutory and regulatory requirements. IDEA Part C ARP funds may be used for any allowable purpose under Part C of the IDEA, including the direct provision of early intervention services to infants and toddlers with disabilities and their families, and implementing a statewide, comprehensive, coordinated, multidisciplinary, interagency system to provide early intervention services.

Under Public Law 116-260, (The Consolidated Appropriations Act of 2021) States may use IDEA Part C FFY 2021 and IDEA Part C ARP funds allotted under section 643(c) of the IDEA to make subgrants to LEAs, institutions of higher education, other public agencies, and private non-profit organizations to carry out activities authorized by section 638 of the IDEA. States may also apply for state incentive grants (SIGs) to fund the Part C extension option under IDEA sections 635(c) and 643(e) and 34 C.F.R. §§ 303.211 and 303.734.

The additional IDEA Part B and Part C funds that section 2014 of the ARP made available for States, in addition to State IDEA Part B and Part C formula grant awards for Federal fiscal year (FFY) 2021, are subject to all IDEA statutory requirements reflected in 20 U.S.C. 1401 et seq. and applicable regulatory requirements in 34 CFR Parts 300 and 303. These statutory and regulatory provisions apply to IDEA grant awards, and include requirements and provisions under IDEA, the Education Department General Administrative Regulations (EDGAR), applicable provisions of the General Education Provisions Act (GEPA), and the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). State allocation summary tables for FFY 2021 IDEA Part B and Part C grant awards (including both the regular formula grant funds and the supplemental IDEA grant funds provided under section 2014 of the ARP) are available on the IDEA ARP page in the linked locations.

The table below describes major statutory and regulatory requirements of IDEA Part B and C. These requirements apply equally to funds made available under the ARP and the Consolidated Appropriations Act of 2021. The table below is intended to highlight key topics with links to statutory and regulatory text, but is not a comprehensive list of all requirements.

Topic	IDEA Part B, Sections 611 and 619	IDEA Part C
Authorizing Statutes	Section 611 and section 619 of the IDEA (for the IDEA Part B FFY 2021 formula grant funds), and section 2014 of the ARP (for the supplemental IDEA section 611 and section 619 funds).	Section 643 of the IDEA (for the IDEA Part C FFY 2021 IDEA formula grant funds, and section 2014 of the ARP (for the supplemental IDEA Part C funds).

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Amount of IDEA regular FFY 2021 funds (not including ARP)	$12,937,457,000 for IDEA section 611 $397,620,000 for IDEA section 619.	$477,000,000 for IDEA Part C.
Amount of IDEA funds awarded in ARP	$2,580,000,000 for IDEA section 611 $200,000,000 for IDEA section 619.	$250,000,000 for IDEA Part C.
Period of Funds Availability	Funds are available for obligation by SEAs and LEAs between July 1, 2021, and September 30, 2023, and must be liquidated by January 28, 2024.	Funds are available for obligation by Part C lead agencies between July 1, 2021, and September 30, 2023, and must be liquidated by January 28, 2024.
Reservation of IDEA funds for State administration and other State-level activities	IDEA allows States to reserve funds for State level activities (State administration and other State-level activities) for both sections 611 and 619. However, because the provisions governing the maximum amount of funds that may be reserved are slightly different for section 611 and section 619, the impact of the additional ARP funds is different. For section 611, the amounts that States may reserve for State administration and other State-level activities are set in accordance with section 611(e) of the IDEA. Under these provisions the maximum amount that a State may reserve is subject to rate of inflation and not the total amount of IDEA funds made available. As a result, the additional IDEA funds made available by ARP do not increase the amount that can be reserved	N/A

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	for State administration and other State level activities. For section 619, the amounts that States may reserve for State administration and other State-level activities are set in accordance with section 619(d) of the IDEA. Under these provisions the maximum amount that a State may reserve is determined by the lesser of (1) the increase in the State's allocation under the program, or (2) the rate of inflation. As a result of the additional ARP Act funding, there was a small increase in the amount that States may reserve compared to FFY 2020.	
LEA allocations	Under section 611(f) of the IDEA and 34 C.F.R. § 300.705(a), each State that receives a section 611 grant for any fiscal year shall distribute any section 611 funds the State does not reserve for State-level activities to LEAs (including public charter schools that operate as LEAs) in the State that have established their eligibility under section 613 of the IDEA, in accordance with the formula in section 611(f)(2). Likewise, under section 619(g) of the IDEA and 34 C.F.R. § 300.815, each State that receives a section 619 grant for any fiscal year shall distribute all of the	N/A

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	section 619 grant funds that the State does not reserve for State-level activities to LEAs in the State (including public charter schools that operate as LEAs) in the State that have established their eligibility under section 613 of the IDEA, in accordance with the formula in section 619(g)(1)(A) and (B).	
Cash Management	For the IDEA section 611 program, cash management principles apply and IDEA funds are usually included in the Treasury-State agreement. 31 C.F.R. Part 205, Subpart A. IDEA subgrants are subject to the OMB Uniform Guidance payment requirements in 2 C.F.R § 200.305(b). For the IDEA section 619 program, cash management principles in 31 C.F.R. Part 205 Subpart B (rules applicable to Federal assistance programs not included in a Treasury-State agreement) apply.	Cash management principles in 31 C.F.R. Part 205 Subpart B (rules applicable to Federal assistance programs not included in a Treasury-State agreement) apply.
Uses of Funds	Funds may be used for all allowable purposes under Part B of IDEA and are subject to all requirements and provisions that apply to IDEA funds, including requirements and provisions under IDEA, EDGAR, and the OMB Uniform Guidance.	Funds may be used for all allowable purposes under Part C of IDEA and are subject to all requirements and provisions that apply to IDEA funds, including requirements under IDEA, EDGAR, and the OMB Uniform Guidance.

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Prior Approvals (for selected items of cost)	Under section 605 of the IDEA, if the Secretary determines that a program authorized under IDEA Part B will be improved by permitting program funds to be used to acquire appropriate equipment, or to construct new facilities or alter existing facilities, the Secretary is authorized to allow the use of those funds for those purposes. Note that SEAs will continue to have the authority, as the pass-through entity, to review and approve LEA requests to use IDEA Part B funds for the purchase of equipment, including the alteration of existing facilities. 2 C.F.R. § 200.439(b)(1)–(3). States may also wish to review the October 2019 Frequently Asked Questions (2019 FAQs) Prior Approval – OSEP and RSA Formula Grants, which provides prior approval flexibilities for certain equipment and participant support costs.	Under section 605 of the IDEA, if the Secretary determines that a program authorized under IDEA Part C will be improved by permitting program funds to be used to acquire appropriate equipment, or to construct new facilities or alter existing facilities, the Secretary is authorized to allow the use of those funds for those purposes. States may also wish to review the October 2019 Frequently Asked Questions (2019 FAQs) Prior Approval – OSEP and RSA Formula Grants, which provides prior approval flexibilities for certain equipment and participant support costs.
Maintenance of State Financial Support (MFS)/Maintenance of Effort (MOE) (State)	Under section 612(a)(18) of the IDEA, a State may not reduce the amount of State financial support for special education and related services for children with disabilities, or otherwise made available because of the excess costs of educating	Section 637(b)(5)(B) of the IDEA includes a supplement not supplant provision, implemented through the Part C regulations at 34 C.F.R. § 303.225. The IDEA Part C MOE provision in 34 C.F.R. § 303.225(b) requires each State to ensure that the total amount of State and local

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	those children, below the amount of that support for the preceding fiscal year. Under section 612(a)(18)(C) of the IDEA, the Department is authorized to waive the MFS requirement for a State, for one fiscal year at a time, if the Department determines that doing so would be equitable due to an exceptional or uncontrollable circumstance, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.	funds budgeted for expenditures in the current fiscal year for early intervention services for children eligible under this part and their families must be at least equal to the total amount of State and local funds actually expended for early intervention services for these children and their families in the most recent preceding fiscal year for which the information is available. States must meet this standard to be eligible for the receipt of Federal IDEA Part C funds.
Part C MOE Allowances	N/A	Allowances to the requirements in 34 C.F.R. § 303.225(b) may be made for: 1. A decrease in the number of infants and toddlers who are eligible to receive early intervention services under this part; and 2. Unusually large amounts of funds expended for such long-term purposes as the acquisition of equipment and the construction of facilities.
Maintenance of Effort (LEA)	Under section 613(a)(2)(A)(iii) of the IDEA, an LEA may not reduce the level of expenditures for the education of children with disabilities made by the LEA from local funds below the level of those expenditures for the preceding fiscal year.	N/A

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LEA MOE Exceptions	Under section 613(a)(2)(B) of the IDEA and 34 C.F.R. § 300.204, there are five instances where an LEA may reduce the level of expenditures for the education of children with disabilities made by the LEA below the level of those expenditures for the preceding fiscal year (for the compliance standard), and below the level of those expenditures for the most recent fiscal year for which information is available (for the eligibility standard). They are: (1) The voluntary departure, by retirement or otherwise, or departure for just cause, of special education or related services personnel (e.g., special education teachers, speech pathologists, paraprofessionals assigned to work with children with disabilities); (2) A decrease in the enrollment of children with disabilities; (3) The termination of the obligation of the agency, consistent with IDEA Part B, to provide a program of special education to a particular child with a disability that is an exceptionally costly program, as determined by the SEA, because the child—	N/A

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	(a) Has left the jurisdiction of the agency; (b) Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or (c) No longer needs the program of special education; (4) The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities; and (5) The assumption of cost by the high cost fund operated by the SEA under 34 C.F.R. § 300.704(c).	
Adjustment to Local Effort	Under section 613(a)(2)(C) of the IDEA, for any fiscal year that an LEA's IDEA allocation exceeds the amount the LEA received for the previous fiscal year, under certain circumstances, the LEA may reduce the level of local, or State and local, expenditures otherwise required to meet MOE by up to 50 percent of the amount of the excess, as long as the LEA uses the freed-up local funds for activities that could be supported under the ESEA. Note that an LEA may not take this reduction if the SEA determines that the	

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	LEA is unable to establish and maintain programs of free appropriate public education for eligible children with disabilities or the SEA has taken action against the LEA under section 616 of IDEA. Also, an LEA that is required to reserve the maximum 15 percent of its IDEA Part B allocation on Comprehensive Coordinated Early Intervention Services (CCEIS) because the LEA is identified with significant disproportionality under 34 C.F.R. § 300.646 will not be able to take advantage of the MOE reduction in 34 C.F.R. § 300.205(a). In addition, under IDEA section 616(f), if in making its annual determinations, an SEA determines that an LEA is not meeting the requirements of Part B, including meeting targets in the State's performance plan, the SEA must prohibit that LEA from reducing its MOE under IDEA section 613(a)(2)(C) for any fiscal year. Therefore, an SEA must prohibit an LEA from taking advantage of the MOE reduction under IDEA section 613(a)(2)(C) if the LEA's determination is Needs Assistance, Needs Intervention, or Needs Substantial Intervention.	

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Part C Option		Under the reservation for State incentive grants in section 643((e) of the IDEA, for any fiscal year for which the amount appropriated pursuant to the authorization of appropriations under section 644 of this title exceeds $460,000,000, the Secretary shall reserve 15 percent of such appropriated amount to provide grants to States that are carrying out the policy described in section 635(c) of this title in order to facilitate the implementation of such policy.
Equitable Services Reservations	Under section 612(a)(10)(A)(i) of the IDEA, to the extent consistent with the number and location of children with disabilities in the State who are enrolled by their parents in private elementary schools and secondary schools in the school district served by an LEA, provision is made for the participation of those children in the program assisted or carried out under Part B by providing for such children special education and related services in accordance with the equitable services requirements in IDEA. 34 C.F.R. §§ 300.130-300.144. Amounts to be expended for the provision of those services (including direct services to parentally placed private school children) by the LEA shall be equal to a proportionate amount of Federal funds	N/A

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	made available under Part B of the IDEA. In calculating the proportionate share required under IDEA section 612(a)(10)(A)(i)(I), an LEA must first aggregate the FFY 2021 funds received under the section 611 (Grants to States) regular and ARP awards and apply the formula outlined in 34 C.F.R. § 300.133 for calculating the proportionate share to the aggregated amount. Similarly, for children aged 3-5, the proportionate share is based on the total FFY 2021 funds received under the section 619 (Preschool Grants) regular and ARP awards.	
Indirect Cost Rates	Indirect costs are restricted. Under 34 C.F.R § 76.563 of EDGAR, 34 C.F.R. §§ 76.564 through 76.569 apply to agencies of State and local governments that are grantees under programs with a statutory requirement prohibiting the use of Federal funds to supplant non-Federal funds, and to their subgrantees under these programs. Indirect cost rates are approved by the Secretary pursuant to 34 C.F.R. § 76.561. Restricted indirect cost rates apply to the IDEA Part B regular formula grant funds and supplemental funds provided by the ARP. States should calculate their restricted indirect costs on the IDEA Part	Indirect costs are restricted. Under 34 C.F.R § 76.563 of EDGAR, 34 C.F.R. § 76.564 through 76.569 apply to agencies of State and local governments that are grantees under programs with a statutory requirement prohibiting the use of Federal funds to supplant non-Federal funds, and to their subgrantees under these programs. Under 34 C.F.R. § 303.225(c), State may not charge indirect costs to IDEA Part C FFY 2021 formula funds as well as ARP supplemental IDEA Part C funds unless they are charged on a restricted basis. States should calculate their restricted indirect costs on the IDEA Part C ARP funds in the same way as they calculate

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	B ARP funds in the same way as they calculate indirect costs on their IDEA Part B regular formula grant award.	indirect costs on their IDEA Part C regular formula grant award.
CEIS	Section 613(f) of the IDEA and the regulations in 34 C.F.R. § 300.226 permit an LEA to use not more than 15 percent of the amount the LEA receives under Part B for any fiscal year (*i.e.*, the aggregate of the LEA's section 611 and section 619 amounts for both the regular formula IDEA awards and the supplemental IDEA awards made available by the ARP), less any amount reduced by the LEA pursuant to 34 C.F.R. § 300.205, to develop and provide CEIS for students in kindergarten through grade 12 (with a particular emphasis on students in kindergarten through grade three) who are currently not identified as needing special education or related services but who need additional academic and behavioral support to succeed in a general education environment.	
Comprehensive CEIS (CCEIS)	Under section 618(d)(2)(B) of the IDEA and the regulations in 34 C.F.R. § 300.646(d), the State or the Secretary of the Interior shall require any LEA identified under 34 C.F.R. § 300.646(a) and (b) to reserve the maximum amount of funds under section 613(f) of the IDEA	

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	(*i.e.*, 15 percent of the amount the LEA receives under Part B for any fiscal year) to provide CCEIS to address factors contributing to the significant disproportionality. The 15 percent is calculated based on the aggregate of the LEA's section 611 and section 619 amounts for both the regular formula IDEA awards and the supplemental IDEA awards made available by the ARP.	
Reporting	All prime recipients of IDEA Part B funds must report subaward information as required by the Federal Funding Accountability and Transparency Act of 2006 (FFATA), as amended in 2008. First-tier subaward information must be reported by the end of the following month from when the award was made or obligated. FFATA guidance is found at https://www.fsrs.gov/. The supplemental IDEA awards made available by the ARP will be assigned separate Catalog of Federal Domestic Assistance (CFDA) numbers, allowing the funds to be tracked separately from the regular IDEA awards.	All prime recipients of IDEA Part C funds must report subaward information as required by the Federal Funding Accountability and Transparency Act of 2006 (FFATA), as amended in 2008. First-tier subaward information must be reported by the end of the following month from when the award was made or obligated. FFATA guidance is found at https://www.fsrs.gov/. The supplemental IDEA awards made available by the ARP will be assigned separate Catalog of Federal Domestic Assistance (CFDA) numbers, allowing the funds to be tracked separately from the regular IDEA awards.
Audit	Under 2 C.F.R. § 200.501(a), a non-Federal entity that expends $750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit	Under 2 C.F.R. § 200.501(a), a non-Federal entity that expends $750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit

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	conducted for that year in accordance with the Uniform Guidance provisions. Under 2 C.F.R. § 200.501(b), a non-Federal entity that expends $750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with the scope of the audit requirements in § 200.514 except when it elects to have a program-specific audit conducted in accordance with 2 C.F.R. § 200.501(c).	conducted for that year in accordance with the Uniform Guidance provisions. Under 2 C.F.R. § 200.501(b), a non-Federal entity that expends $750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single audit conducted in accordance with the scope of the audit requirements in § 200.514 except when it elects to have a program-specific audit conducted in accordance with 2 C.F.R. § 200.501(c).