

**Supplemental Guidance on the State Fiscal Stabilization Fund Program:  
Amending an Approved Application for Initial Funding to Reflect Changes  
in the Levels of State Support for Education**

**June 24, 2009**

**Introductory Note**

On April 1, 2009, the U.S. Department of Education (Department) released detailed guidance on the State Fiscal Stabilization Fund program. As a preface to the guidance, the Department indicated that it would provide additional or updated guidance as necessary and invited interested parties to provide comments on the document. The Department also published instructions for filing the Application for Initial Funding under this program.

In response to questions received, the Department is providing the following supplemental guidance on amending an approved Application for Initial Funding to reflect changes in the levels of State support for education. The Department intends to periodically incorporate new questions and answers into a revised version of the complete guidance document.

For further information on amending its application, a State should contact Jim Butler, State Fiscal Stabilization Fund, by email at [james.butler@ed.gov](mailto:james.butler@ed.gov) or by telephone at (202) 260-9737.

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**III-4. Under what circumstances is a State required to amend its initial application?**

In its Application for Initial Funding under the State Fiscal Stabilization Fund program, a State provides the best available data on (1) the levels of State support that are used to determine whether the State is complying with the maintenance-of-effort requirements (Part 4, Section C of the initial application); and (2) the levels of State support that are used to calculate the restoration amounts that serve as the basis for determining the amount of funds that the State allocates to local educational agencies (LEAs) and public institutions of higher education (IHEs) (Part 5, Section A of the initial application). A State must amend its application if there are changes to the reported levels of State support that were used to determine maintenance of effort or to calculate restoration amounts. Such changes may include legislatively enacted budget revisions or identification of errors in the original submission. A State must also amend its application if

there significant or relevant changes to other key features of its application. (See 34 C.F.R. § 76.140.) States are encouraged to contact the Department if they have any questions about whether an application amendment is necessary.

### **III-5. How does a State amend its approved application?**

If a State amends its application, the State shall use the same procedures as it used to prepare and submit its application, in accordance with the regulations in 34 C.F.R. § 76.141. A State amends its application by submitting revisions to the relevant parts of the application. Each of the revised pages must be signed and dated by an authorized State representative. In addition, a State must provide a revised cover page that includes the signature of the Governor or authorized representative. States are encouraged to inform the Department of anticipated amendments prior to officially submitting an amendment. Such notification should be sent to [StabilizationFundApplication@ed.gov](mailto:StabilizationFundApplication@ed.gov).

### **III-6. What is the Department's process for reviewing amendments?**

The Department will review amendments using the same process it used to review the initial application in accordance with the regulations in 34 C.F.R. § 76.142. The process includes an analysis of the submission; consultation with the State; request for additional data, if necessary; and a decision on the amendment. The Department anticipates that a decision will be made within two weeks of receipt of all relevant information.

### **III-7. What are the State's responsibilities if an amendment results in changes to the restoration calculations?**

In general, if there are revisions to an application resulting in changes in the restoration calculations, a State should allocate the State Fiscal Stabilization Funds consistent with the amended application. However, the Department recognizes that in some instances it may not be feasible for a State to revise the amounts to be allocated to LEAs and IHEs because it would be too disruptive to the ongoing operations of the entities (e.g., LEAs and IHEs may have adopted budgets or made other decisions based on the State's original allocations). The Department will determine the extent to which a State must adjust the initial restoration calculations after discussions with the State.