

# Application for Initial Funding under the State Fiscal Stabilization Fund Program

CFDA Numbers: 84.394 (Education Stabilization Fund) and  
84.397 (Government Services Fund)



**U.S. Department of Education  
Washington, D.C. 20202**

**OMB Number: 1810-0690  
Expiration Date: 9/30/2009**

## **Paperwork Burden Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0690. The time required to complete this information collection is estimated to average 17 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: State Fiscal Stabilization Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118

# APPLICATION INSTRUCTIONS

## GENERAL INSTRUCTIONS

To receive the initial 67 percent of the State's allocation under the State Fiscal Stabilization Fund (Stabilization) program, a Governor must submit to the Department an application that provides the following information:

- A completed application cover sheet. *(Part 1 of the Application)*
- Assurances that the State will commit to advancing education reform in four specific areas:
  - (1) Achieving equity in teacher distribution;
  - (2) Improving collection and use of data;
  - (3) Enhancing the quality of standards and assessments; and
  - (4) Supporting struggling schools. *(Part 2 of the Application)*
- Confirmation that the initial baseline data identified in Appendix B of the application is acceptable for purposes of demonstrating the State's current status in each of the four education reform areas for which the State provides assurances, or submission of alternative initial baseline data. *(Part 3 of the Application)*
- The following maintenance-of-effort (MOE) information:
  - (1) An assurance that the State will comply with the Stabilization program MOE requirements;
  - (2) If applicable, an assurance that the State meets or will meet the eligibility criterion for a waiver of those requirements; and
  - (3) MOE baseline data. *(Part 4 of the Application)*
- A description of how the State intends to use the funds allocated under:
  - (1) The Education Stabilization Fund – CFDA No. 84.394; and
  - (2) The Government Services Fund – CFDA No. 84.397. *(Part 5 of the Application)*
- Accountability, transparency, and reporting assurances. *(Part 6 of the Application)*
- Other assurances and certifications. *(Part 7 of the Application)*

## APPENDICES TO THE APPLICATION

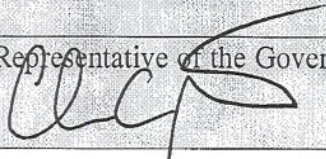
- Appendix A – State Allocation Data
- Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances
- Appendix C – Instructions for Part 4: Maintenance of Effort
- Appendix D – Instructions for Part 5: State Uses of Funds
- Appendix E – Application Checklist and Submission Information

**STATE FISCAL STABILIZATION FUND APPLICATION**

**PART 1: APPLICATION COVER SHEET  
(CFDA Nos. 84.394 and 84.397)**


<p>Legal Name of Applicant (Office of the Governor): Office of the Governor, Indiana</p>	<p>Applicant's Mailing Address: Office of Governor Mitch Daniels 200 W. Washington St. Room 206 Indianapolis, IN 46204</p>
<p>State Contact for the Education Stabilization Fund (CFDA No. 84.394)  Name: Chris Ruhl  Position and Office: Director, Indiana State Budget Agency  Contact's Mailing Address: Chris Ruhl, Director Indiana State Budget Agency 200 West Washington Street State House Room 212 Indianapolis, IN 46204  Telephone: (317) 232-5617 Fax: (317) 233-3323 E-mail address: cruhl@omb.in.gov</p>	<p>State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: <b>SAME</b>  Position and Office:  Contact's Mailing Address: <b>SAME</b>  Telephone: Fax: E-mail address:</p>

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

<p>Governor or Authorized Representative of the Governor (Printed Name): Governor Mitchell E. Daniels, Jr.</p>	<p>Telephone: (317) 232-4567</p>
<p>Signature of Governor or Authorized Representative of the Governor: <b>REVISED:</b> <i>Chris Ruhl for Gov. Daniels</i> </p>	<p>Date: 5/08/09 <i>5/12/09</i></p>

Recommended Statement of Support from the Chief State School Officer (Optional):


The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.


<p>Chief State School Officer (Printed Name): Dr. Tony Bennett, Superintendent of Public Instruction</p>	<p>Telephone: (317) 232-6610</p>
<p>Signature of the Chief State School Officer: </p>	<p>Date: 5/08/09</p>

**STATE FISCAL STABILIZATION FUND APPLICATION**

**PART 1: APPLICATION COVER SHEET**

**(CFDA Nos. 84.394 and 84.397)**


<p>Legal Name of Applicant (Office of the Governor): Office of the Governor, Indiana</p>	<p>Applicant's Mailing Address: Office of Governor Mitch Daniels 200 W. Washington St. Room 206 Indianapolis, IN 46204</p>
<p>State Contact for the Education Stabilization Fund (CFDA No. 84.394)  Name: Chris Ruhl  Position and Office: Director, Indiana State Budget Agency  Contact's Mailing Address: Chris Ruhl, Director Indiana State Budget Agency 200 West Washington Street State House Room 212 Indianapolis, IN 46204  Telephone: (317) 232-5617 Fax: (317) 233-3323 E-mail address: <a href="mailto:cruhl@omb.in.gov">cruhl@omb.in.gov</a></p>	<p>State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i> Name: <b>SAME</b>  Position and Office:  Contact's Mailing Address: <b>SAME</b>  Telephone: Fax: E-mail address:</p>
<p>To the best of my knowledge and belief, all of the information and data in this application are true and correct.</p>	
<p>Governor or Authorized Representative of the Governor (Printed Name): Governor Mitchell E. Daniels, Jr.</p>	<p>Telephone: (317) 232-4567</p>
<p>Signature of Governor or Authorized Representative of the Governor: </p>	<p>Date: 5/08/09</p>

<p>Recommended Statement of Support from the Chief State School Officer <i>(Optional)</i>:  The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.</p>	
<p>Chief State School Officer (Printed Name): Dr. Tony Bennett, Superintendent of Public Instruction</p>	<p>Telephone: (317) 232-6610</p>
<p>Signature of the Chief State School Officer: </p>	<p>Date: 5/08/09</p>

## PART 2: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

- (1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)
- (2) The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)
- (3) The State will –
  - (3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)
  - (3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and
  - (3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)
- (4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

Governor or Authorized Representative of the Governor (Printed Name): Governor Mitchell E. Daniels, Jr.	
Signature: 	Date: 5/08/09

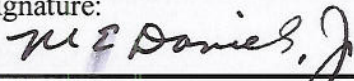
**PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES**

**SPECIAL NOTES:**

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State’s current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application (*check only those assurances for which the State accepts the data described in Appendix B*):

- Achieving Equity in Teacher Distribution Assurance.
- Improving Collection and Use of Data Assurance.
- Improving Standards Assurance.
- Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name): Governor Mitchell E. Daniels, Jr.	
Signature: 	Date: 5/08/09

**PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE**

**SPECIAL NOTES:**

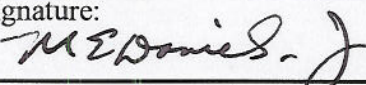
- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following (*check appropriate assurances that apply*):

- X   In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- X   In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- X   In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.
- X   In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- X   In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.
- X   In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

**---OR---**

\_\_\_\_\_ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name): Governor Mitchell E. Daniels, Jr.	
Signature: 	Date: 5/08/09

**PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE**

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.*
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

Governor or Authorized Representative of the Governor (Printed Name):	
Signature:	Date:




**PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA**

**SPECIAL NOTES:**

- A State has some flexibility in determining the "levels of State support" for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. See Appendix C – Instructions for Part 4: Maintenance of Effort.

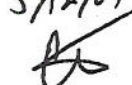
**Requested Revision Noted Below Initial this page:**

- 1. Levels of State support for elementary and secondary education (the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):**

FY 2006	\$ <u>3,754,700,000</u>	
FY 2009*	\$ <u>6,440,000,000</u>	\$ <u>5,861,000,000</u> (revised) 5/12/09
FY 2010*	\$ <u>6,497,100,000</u>	
FY 2011*	\$ <u>6,512,000,000</u>	

(\* Provide data to the extent that data are currently available.)

- 2. Levels of State support for public institutions of higher education (enter amounts for each year):**

FY 2006	\$ <u>1,246,587,139</u>	
FY 2009*	\$ <u>1,353,548,860</u>	\$ <u>1,309,288,634</u> (revised) 5/12/09
FY 2010*	\$ <u>1,300,105,185</u>	
FY 2011*	\$ <u>1,300,042,223</u>	

(\* Provide data to the extent that data are currently available.)

- 3. Additional Submission Requirements: In an attachment to the application –**

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -

The data source for the State support for elementary and secondary education was the CY 2006 tuition support cap for the main school funding formula for Indiana from the As-Passed

budget. Due to lower than expected enrollment, the CY 2009 expenditure is projected to be lower than the CY 2009 tuition support cap. Therefore, tuition support formula results are used for CY 2009. For CY 2010 and CY 2011, the Governor's proposed tuition support caps were used. Indiana budgets school funding on a calendar year basis.

**Requested Revision Initial this page:**

5/12/09  
BJ

In 2008, the General Assembly adopted sweeping property tax reform that removed a substantial portion of the general fund expenses of local schools from the local property tax. The state sales tax was raised one penny to fund these expenses, thereby removing them from the property tax base providing over a billion of property tax relief and resulting in the state assuming future growth in these costs. These expenses were assumed by the state beginning in school calendar year 2009 and will continue for 2010 and 2011. Prior to these changes (including FY 2006) approximately 15%-20% of school general fund expenses were paid for through local property taxes. Following the reforms enacted in 2008 the state has now assumed those expenses, thereby raising the total level of state support through its primary school funding formula. These expenses are included in the state's primary school funding formula. In Indiana the state's primary school funding formula is determined by statute. Funds are appropriated in the state budget in a category termed "state tuition support" distributions. The term state tuition support is used to reference the state's primary K-12 education funding formula.

See Part 5, Section A, #2 for additional details on the allocation of funds through this formula.

- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

The data sources for the State support of public IHE's were the As-Passed Budgets for FY 2006 and FY 2009. The Governor's As Submitted budget was used for FY 2010 and FY 2011.

**Requested Revision:**

5/12/09  
BJ

For more detail on support for IHE's in Indiana, please see description on Page 11, Question 5)

**PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND**

**SPECIAL NOTES:**

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

**1. Levels of State Support for Elementary, Secondary, and Postsecondary Education**

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- |   |  |
|---|--|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae | \$ <u>3,960,900,000</u>  |
| (b) Level of State support for public IHEs in FY 2008   | \$ <u>1,300,820,215</u>  |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae | \$6,440,000,000 (prior enacted)<br>\$ <u>5,861,000,000 (revised)</u> |
| (d) Level of State support for public IHEs in FY 2009   | \$1,353,548,860 (prior enacted)<br>\$ <u>1,309,288,634 (revised)</u> |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae | \$ <u>6,497,100,000</u>  |
| (f) Level of State support for public IHEs in FY 2010   | \$ <u>1,300,105,185</u>  |

**Additional Information:** Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?\*

Yes                       No

\* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

\* See Appendix D Worksheets for further guidance on how such increases affect a State's "use of funds" calculations.

## 2. State's Primary Education Funding Formulae

**Additional Submission Requirement:** In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

For 2008 and 2009, the Tuition Support Distribution formula found in the Indiana As Passed budget was used. The formulas are written and limited by State appropriations on a calendar year basis. The Indiana school funding formula can be found at I.C. 20-43 and is addressed every two years by the Indiana General Assembly. The maximum appropriations allowed for 2008 were used to calculate the numbers provided above; however due to lower than projected student enrollment, 2009 expenditures will be lower than the maximum appropriation. Therefore, tuition support formula results were used for 2009.

Indiana has a per student foundation based school funding formula. Foundation is currently set at \$4,825 per student. The Foundation amount is increased on a corporation basis via a complexity index factor based on students on free or reduced price lunch. This amount per student is then multiplied by the adjusted student count for a school corporation. There are over 300 school corporations in Indiana, each with a different complexity index. For 2010, the Governor's proposed formula was used.

## 3. Data on State Support for Postsecondary Education

**Additional Submission Requirement:** In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

For FY 2008 and FY 2009 the Indiana As Passed budget was used to determine State Support for IHEs. For FY 2010, the Governor's As Submitted budget was used.

Requested Revision Initial this page:

5/12/09



For more detail on support for IHE's in Indiana, please see description on Page 11, Question 5)

#### 4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

##### SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

- |  |                       |
|--|-----------------------|
| (a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 | \$ <u>579,000,000</u> |
| (b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009                        | \$ <u>44,260,226</u>  |

### Restoration Amounts (continued)

- |  |                       |
|--|-----------------------|
| (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 | \$ <u>0</u>           |
| (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010                        | \$ <u>53,443,675</u>  |
| (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010                         | \$ <u>146,957,322</u> |

### 5. Process for Awarding Funds to Public IHEs

**Additional Submission Requirement:** In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

IHEs receive state support in three key areas—funds for general operations, funds for the Repair & Rehabilitation (R&R) of facilities and funds for debt service on the construction of buildings. Operating funds are distributed between IHEs based on several performance measures including the increase in degrees awarded, the increase in on time degrees, the increase in federally funded research and the increase in successfully completed courses and credit hours. R&R funds are distributed based upon a formula accounting for the number, age and condition of facilities.

In FY 2009, the state will determine the amount of funding that individual IHEs receive from the State Fiscal Stabilization restoration funds consistent with appropriations made to IHEs by the Indiana General Assembly. Funds will be used to restore each individual IHEs funding to their prior enacted amount; in this case the level of appropriations originally contained for each IHE in the FY 2009 budget adopted in April, 2007.

For FY 2010, funds will be used to restore each individual IHEs funding to the FY 2009 originally enacted appropriation level.

It is expected that each IHE will receive funding in FY 2010 (and FY 2011) equal to its FY 2009 level for operating and R&R funds, as determined by the formulas described above. Debt service and capital projects will not be considered.

**PART 5, SECTION B: STATE USES OF THE  
GOVERNMENT SERVICES FUND**

**SPECIAL NOTES:**

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

**Uses of the Government Services Fund**

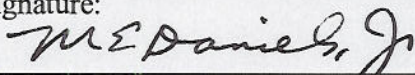
<b>Category</b>	<b>Estimated Percentage of Funds to Be Used</b>
Public Safety	
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	
Public IHEs (excluding modernization, renovation, or repair of IHEs)	
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)	
Undetermined*	100%
<b>TOTAL</b>	<b>100%</b>

**\*At this time, the Governor is analyzing numerous options for use of these funds, including public safety, economic development and education. Once a final determination has been reached, the state will provide this information to the Department.**

**PART 6: ACCOUNTABILITY, TRANSPARENCY, AND REPORTING ASSURANCES**

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
  - the uses of funds within the State;
  - how the State distributed the funds it received;
  - the number of jobs that the Governor estimates were saved or created with the funds;
  - tax increases that the Governor estimates were averted because of the funds;
  - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
  - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
  - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
  - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)
- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)
- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to [www.Recovery.gov](http://www.Recovery.gov). A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)
- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))
- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

Governor or Authorized Representative of the Governor (Printed Name): Governor Mitchell E. Daniels, Jr.	
Signature: 	Date: 5/08/09




## PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.
- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.
- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).
- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).
- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name): Governor Mitchell E. Daniels, Jr.	
Signature: 	Date: 5/08/09

**Appendices to the  
Application for Initial Funding under the  
State Fiscal Stabilization Fund Program**

**WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION  
STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS  
(CFDA No. 84.394)**

**SPECIAL NOTES:**

- The calculations in the worksheets and the data provided in Section A of Part 5 of the application must be based on each State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the amount of the State's initial Education Stabilization Fund award.
- The term "postsecondary education" means public higher education.

**WORKSHEET 1-A: Calculating the amount of a State's total Education Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009**

<b>Line</b>	<b>Information</b>	<b>Amount</b>
1.	Amount of the State's total Education Stabilization Fund allocation.	\$ 823,661,223
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008, or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	\$ 6,440,000,000
3.	Either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009.	\$ 1,353,548,860
4.	Actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	\$ 5,861,000,000
5.	Actual or projected amount of State support for public IHEs in FY 2009.	\$ 1,309,288,634
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	\$ 579,000,000
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	\$ 44,260,226
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009. If the amount on Line 8 is greater than the amount on Line 1, see <i>Worksheet 1-B for FY 2009 Shortfall calculation and do not complete lines 9, 10, 11, and 12.</i>	\$ 623,260,226
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	\$ 579,000,000

10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2009. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	\$ 44,260,226
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009.	\$ 623,260,226
12.	Enter amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore State support for education in FY 2010. (This amount is carried over to Line 1 of Worksheet 2-A or Worksheet 2-B.)	\$ 200,400,997

**WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION  
STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS**

**WORKSHEET 2-A: Calculating the amount of a State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010 if the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments**

<b>Line</b>	<b>Information</b>	<b>Amount</b>
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter the amount on Line 12 of Worksheet 1-A).	\$ 200,400,997
2.	Enter the greater of (1) either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 or (2) actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009. (i.e., Enter the greater of the amounts on Lines 2 and 4 of Worksheet 1-A).	\$ 6,440,000,000
3.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009 the amounts of State support for public institutions of higher education (IHEs) in FY 2008 and FY 2009. (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	\$ 1,353,548,860
4.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2010.	\$ 6,497,100,000
5.	Projected amount of State support for public IHEs in FY 2010.	\$ 1,300,105,185
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	\$ -
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	\$ 53,443,675
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2010. If the amount on Line 8 is greater than the amount on Line 1, see Worksheet 2-C for Shortfall calculations and do not complete lines 9, 10, 11 and 12.	\$ 53,443,675
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	\$ -
10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. <i>(Enter this amount in Part A of Section 5 of the Application.)</i>	\$ 53,443,675
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010.	\$ 53,443,675
12.	Enter the amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore the levels of State support for education in FY 2011. (This amount is carried over to Line 1 of Worksheet 3-A or 3-B.)	\$ 146,957,322

**WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION  
STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS**

**WORKSHEET 3-A: Calculating the amount of a State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011 if the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2011 or State equity and adequacy adjustments**

<b>Line</b>	<b>Information</b>	<b>Amount</b>
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 and FY 2010 (If level of FY 2010 support was based on Worksheet 2-A, enter the amount on Line 12 of Worksheet 2-A; if level of FY 2010 support was based on Worksheet 2-B, enter the amount on Line 15 of Worksheet 2-B).	\$ 146,957,322
2.	Enter the greater of (1) either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 or (2) actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009. (i.e., Enter the greater of the amounts on Lines 2 and 4 of Worksheet 1-A).	\$ 6,440,000,000
3.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009 the amounts of State support for public institutions of higher education (IHEs) in FY 2008 and FY 2009. (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	\$ 1,353,548,860
4.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2011.	\$ 6,512,000,000
5.	Projected enacted amount of State support for public IHEs in FY 2011.	\$ 1,300,042,223
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	\$ -
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	\$ 53,506,637
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2011. If the amount on Line 8 is greater than the amount on Line 1, <i>see Worksheet 3-C for Shortfall calculations and do not complete lines 9, 10, 11 and 12.</i>	\$ 53,506,637
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011.	\$ -
10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2011.	\$ 53,506,637

11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2011.	\$ 53,506,637
12.	Enter the amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Fund allocation that will be used to award subgrants to LEAs based on their proportionate shares of funding under Part A of Title I.	\$ 93,450,685