



# Understanding the IDEA Grant Funding Cycle and Different Fiscal Years



## Introduction

# INTRO

This document reviews the life cycle of an Individuals with Disabilities Education Act (IDEA) state grant and how those phases correspond to federal and state fiscal years.

Each year, each eligible state or territory receives a federal grant under Part B of the IDEA, called a **section 611 grant**, to support special education and related services for children ages 3 through 21. All 50 states (as well as the District of Columbia and Puerto Rico) also receive **section 619 grants**, which are IDEA funds to support the education of children ages 3 through 5.

Each section 611 grant and section 619 grant is associated with a **federal fiscal year** (FFY). The federal fiscal year runs from October 1 to September 30 and references the starting year. For example, FFY 2020 is the federal fiscal year running from October 1, 2020, through September 30, 2021, and an FFY 2020 grant award is associated with that fiscal year. It corresponds with school year 2020–21.

Each state chooses its own **state fiscal year** (SFY). In most states, the state fiscal year runs from July 1 to June 30 and references the ending year. For example, SFY 2021 is the state fiscal year running from July 1, 2020, to June 30, 2021. It corresponds with school year 2020–21.

Understanding the relationships among fiscal years will be particularly important for users of the IDEA Fiscal Timeline, a tool designed to help state staff manage section 611 and section 619 grants. The IDEA Fiscal Timeline runs from July 1 to June 30 because this is a common time period for a state fiscal year; however, users of the Timeline will be considering IDEA funds from four different federal fiscal years during this single state fiscal year.

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*The Center for IDEA Fiscal Reporting helps states improve their capacity to report special education fiscal data. The center is a partnership among WestEd, American Institutes for Research (AIR), Technical Assistance for Excellence in Special Education (TAESE) at Utah State University, and Westat.*

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## Life Cycle of an IDEA Grant Award

# LIFE CYCLE

### PLANNING

Planning for a new IDEA Part B state grant can begin as soon as the Office of Special Education Programs (OSEP), U.S. Department of Education, releases preliminary budget information — as early as December or January. The state application for IDEA funds must be submitted by May and is generally approved by OSEP before July 1. For example, planning for FFY 2020 funds can begin as early as December 2019, with the application submitted in May 2020 and the FFY 2020 funds made available for obligation on July 1, 2020.

### FORWARD FUNDING PERIOD

Once a state has demonstrated eligibility through its application, a partial section 611 grant award to the state is made available in July, three months before the start of the federal fiscal year, with the remainder available in October when that federal fiscal year begins. For example, a portion of the FFY 2020 funds become available for obligation (i.e., available to spend) on July 1, 2020, three months before the start of the federal fiscal year on October 1, 2020. Section 619 grant awards are made available in full on July 1 each year. This early funding availability is due to specific authorization for “forward funding” of IDEA funds specified in the appropriations legislation.

### AWARD YEAR FUNDING PERIOD

The award year funding period is the federal fiscal year in which IDEA Part B state grant awards were appropriated by Congress. For example, the award year funding period for FFY 2020 funds is October 1, 2020, through September 30, 2021.

### TYDINGS PERIOD

The Tydings period allows state grantees to carry over and obligate for one additional year any federal education funds that were not obligated in the fiscal year for which they were appropriated (section 421(b) of the General Education Provisions Act (GEPA), 20 U.S.C. 1225(b) and 34 CFR §76.709). For example, the Tydings funding period for FFY 2020 funds is October 1, 2021, to September 30, 2022.

### PERIOD OF PERFORMANCE

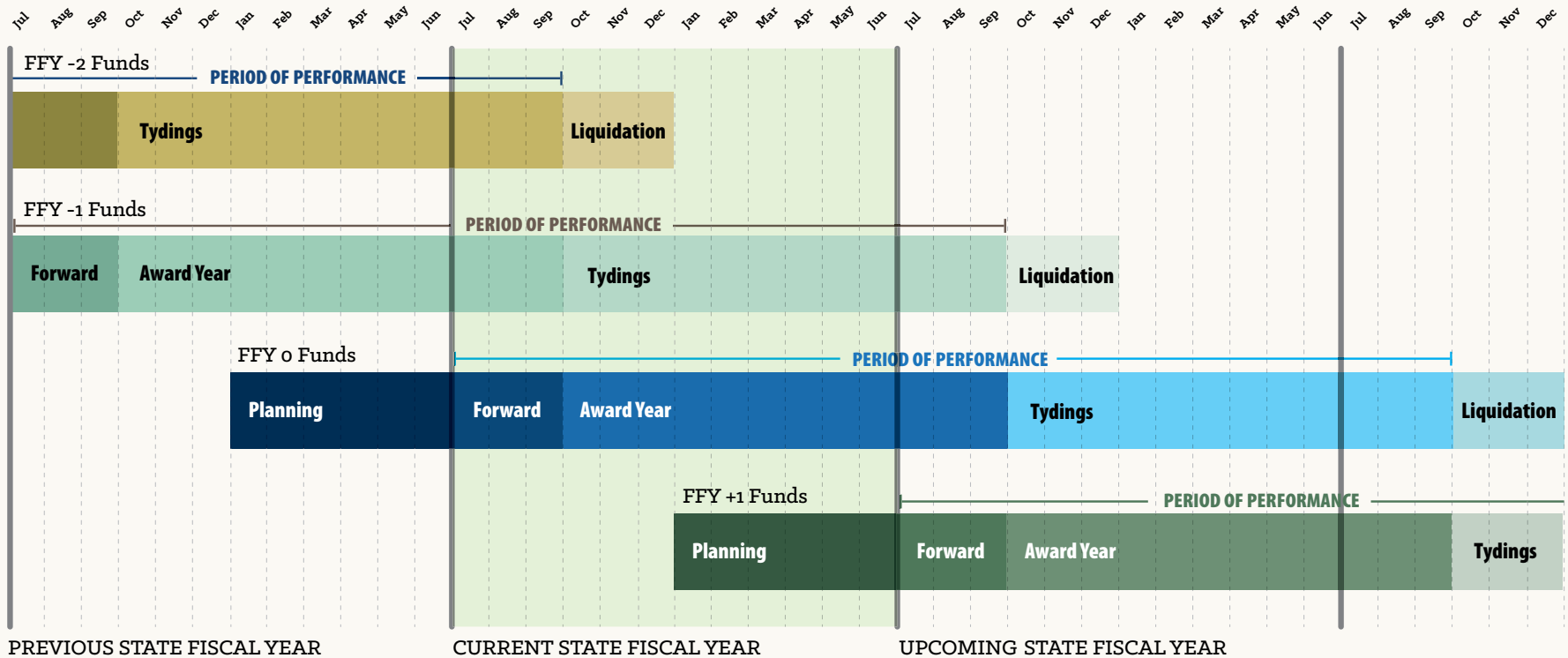
Taken together, the forward funding period, the award year funding period, and the Tydings period create a 27-month period of performance. States can obligate appropriated IDEA funds throughout this period (2 CFR §200.309 and 2 CFR §200.77). This period is also referred to as the period of obligation. For example, FFY 2020 funds can be obligated from July 1, 2020, through September 30, 2022.

### LIQUIDATION PERIOD

State grantees must liquidate all obligations (i.e., pay outstanding debts) within 90 days of the end of the period of performance. This deadline is December 31, which is 30 months after the funds were first made available. For example, FFY 2020 funds must be liquidated by December 31, 2022. Extensions to this liquidation period may be considered by the U.S. Department of Education (2 CFR 200.343(b)).

# IDEA Grant Funding Cycle

# FUNDING CYCLE



The graphic above depicts the stages of an IDEA grant and how they correspond to federal and state fiscal years. From left to right, the graphic shows state fiscal years using a common timeframe, July 1–June 30, separated by dark vertical lines. The shaded area in the middle represents the *Current State Fiscal Year*.

Each horizontal bar represents part or all of the 36 months during which one of these grants should be considered. Each differently shaded section of each horizontal bar represents a different stage of that award's life cycle: 6 months for planning, 3 months of forward funding, 12 months of award year funding, 12 months of the no-cost carry-over period, plus 3 months (90 days) of liquidation.

Four different federal fiscal years are considered from the standpoint of the *Current State Fiscal Year* on this graphic:

- FFY -2 Funds: The grant award from two years ago is available for obligation until September 30 and for liquidation until December 31 of the current state fiscal year. (Gold bar)
- FFY -1 Funds: The grant award from the previous fiscal year is available for obligation throughout the current state fiscal year. (Light green bar)
- FFY 0 Funds: The current year grant award is available for obligation. (Blue bar)
- FFY +1 Funds: Planning and applying for the upcoming year's grant begins in January. (Dark green bar)

In any state fiscal year, state grantees and local subgrantees are planning for, obligating, expending, and liquidating up to four years of IDEA grant awards. The shaded *Current State Fiscal Year* section of this graphic shows how these four years of IDEA grant awards fall within the activities detailed in the IDEA Fiscal Timeline tool.

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Many CIFR staff contributed to this work. Nancy O'Hara led its development, with contributions from Tom Munk and Elena Lincoln. Sanjay Pardanani was production coordinator. CIFR co-directors Cecelia Dodge, Jenifer Harr-Robins, and Dave Phillips guided its development.

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