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STATE OF OKLAHOMA

MEMORANDUM

TO: The Honorable Members of the State Board of Education

FROM: Janet C. Barresi

DATE: September 11, 2013

SUBJECT: Update on the Effects of Sequestration and its Impact on Part B Allocations

Special Education Services notified districts last fall that federal funds would be reduced for FY 2014, due to the Budget Control Act (BCA) of 2011 that was signed into effect by President Obama on August 2, 2011. The Act was designed to balance an increase to the debt ceiling and legislate a series of measures to decrease federal spending.

On March 5, 2013, the Oklahoma State Department of Education, Special Education Services (OSDE-SES) participated in a conference call with Acting Assistant Secretary of the Office of Special Education and Rehabilitative Services (OSERS), Michael K. Yudin. Assistant Secretary Yudin stated, "Education should be the last place to reduce funding cuts to vital programs." He estimated that there will be a 5% cut to federal funds across the board, based on last year's program allocations. That was not the case! Special Education funds were reduced for our State by almost **5.30%**, which exceeded \$7 million.

Assistant Secretary Yudin made clear that States would be expected to meet all statutory requirements governing program operations, maintenance of effort, supplement not supplant rules, and State or local reservations of funding for required activities. Because of this requirement, the OSDE-SES reviewed and revised financial procedures to acquire resources for Local Educational Agencies (LEA) that support district programs for children with disabilities. We also utilized the request for proposal (RFP) process, supported agency initiatives, reduced State-level expenses, and developed resources designed to assist you in meeting the rigorous needs of your students. These decisions weren't popular, but they were necessary to counteract the effects of the sequestration.