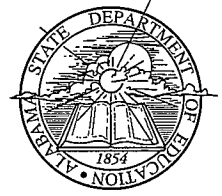




STATE OF ALABAMA
DEPARTMENT OF EDUCATION



Joseph B. Morton
 State Superintendent
 of Education

Ms. Ruth E. Ryder, Director
 Monitoring and State Improvement Planning Division
 Office of Special Education Programs
 U.S. Department of Education
 550 12th Street SW
 Washington, DC 20024

Alabama
 State Board
 of Education

Dear Ms. Ryder:

The Alabama Department of Education requests a waiver under 34 C.F.R. 300.164 of the state maintenance of effort requirement for the fiscal year 2010 compared to the fiscal year 2009.

The State of Alabama has an Education Trust Fund and a General Fund. The Education Trust Fund is the primary fund for education programs in the state. These programs include kindergarten through twelfth grade education, post secondary education, and higher education as well as various state supported facilities. The Education Trust Fund is funded primarily from income tax and sales tax. The total appropriation of the Education Trust Fund in fiscal year 2009 was \$6,359,550,000 which reflected the decreased receipts from the previous fiscal year. However, the decline in tax receipts continued and although \$437,390,828 was transferred from the Education Trust Fund Rainy Day Account and \$129,590 was transferred from the Proration Prevention Account the Education Trust Fund had to be prorated by eleven percent (11%). The total appropriation the Education Trust in fiscal year 2010 was \$5,322,544,577 which reflected the decreased receipts from the previous year. However, the decline in the tax receipts continued. Funds in the Education Trust Fund Rainy Day Account and the Proration Prevention Account had been exhausted in the previous fiscal year. The Education Trust Fund had to be prorated by nine and one half percent (9.5%). The proration was not line item specific but, was effective for every line item in the appropriation bill.

Please consider this unforeseen decline in the financial resources of the state in your decision to grant a waiver for the state maintenance of effort requirement. If you need additional information, please contact Dr. Marbrey Whetstone at 334-242-8114.

Sincerely,

Joseph B. Morton
 State Superintendent of Education

cc: Dr. Mabrey Whetstone
 Dr. Thomas R. Bice
 Dr. Warren Craig Pouncey

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