



Arkansas Office of Recovery and Reinvestment

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MEMORANDUM

TO: Institutions of Higher Education receiving State Fiscal Stabilization Fund-Education Stabilization Funds (SFSF-ESF)

FROM: Ann Purvis, Administrator
Erin Gildner, Program Manager

DATE: November 17, 2010

RE: Decision on principal debt payment as an allowable use of SFSF-ESF Funds from the U.S. Department of Education

In a recent State Fiscal Stabilization Fund (SFSF) Program review conducted by the U.S. Department of Education to monitor the management of the grants, the federal monitors have raised the question whether the IHEs may only make payments for bonds issued during the federal award period, which is no earlier than February 7th, 2009.

After requesting clarification on the term 'existing debt,' and speaking with U.S. Department of Education Personnel, it has been decided that the use of SFSF ESF Funds to pay principal debt is allowable.

If you have any questions regarding this memorandum, please contact Erin Gildner, DFA-IGS Grants Coordinator at Erin.Gildner@dfa.arkansas.gov or at (501) 682-1468.

cc: Governor's Office
Arkansas Department of Higher Education