



COMMONWEALTH of VIRGINIA

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DEPARTMENT OF EDUCATION
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October 31, 2025

The Honorable L. Louise Lucas
Chair, Senate Finance and
Appropriations Committee
Virginia General Assembly
201 North 9th Street, Room 1404
Richmond, VA 23219

The Honorable Luke E. Torian
Chair, House Appropriations Committee
Virginia General Assembly
201 North 9th Street, Room 123
Richmond, VA 23219

Dear Chairs Lucas and Torian:

Section 4-8.02.d., Chapter 725, 2025 Acts of Assembly, contains the following reporting requirement which states:

d. Any state agency that is required to return federal grant funding as a result of not fulfilling the specifications of a grant, shall, as soon as practicable but no later than November 1st, report to the Chairmen of the Senate Finance and Appropriations and House Appropriations Committees of such forfeiting of federal grant funding.

During State Fiscal Year (SFY) 2025, the Virginia Department of Education, in its oversight role for Virginia's Individuals with Disabilities Education Act (IDEA) special education grant, returned funds to the U.S. Department of Education (USED) on behalf of fourteen school divisions that did not fulfill specific requirements under IDEA. The source of the returned funds was the school divisions' flow-through IDEA formula subgrant. The total amount returned to the federal government during SFY 2025 was \$1,063,431.14. Each school division and their total unspent funds are included on the table below.

LEA #	LEA Name	TYPE	Award#	Project Code	Total Awarded	Total Unspent	Comment
0001	Accomack	IDEA-611 Flowthrough	H027A220107	APE43071	\$ 1,205,710.00	\$ 8,060.96	Forfeited; Reverted to US Treasury due to expiration
0043	Henrico	IDEA-611 Flowthrough	H027A220107	APE43071	\$ 9,286,475.20	\$ 4,556.73	Forfeited; Reverted to US Treasury due to expiration
0046	Isle of Wight	IDEA-611 Flowthrough	H027A220107	APE43071	\$ 1,176,276.00	\$ 4.81	Forfeited; Reverted to US Treasury due to expiration
0115	Lynchburg City	IDEA-611 Flowthrough	H027A220107	APE43071	\$ 2,130,826.05	\$ 1,000,908.94	Forfeited; Reverted to US Treasury due to expiration
0116	Martinsville City	IDEA-611 Flowthrough	H027A220107	APE43071	\$ 627,197.00	\$ 124.22	Forfeited; Reverted to US Treasury due to expiration
0123	Richmond City	IDEA-611 Flowthrough- CCEIS	H027A220107	APE60033	\$ 971,803.05	\$ 33,671.63	Forfeited; Reverted to US Treasury due to expiration
0144	Manassas Park City	IDEA-611 Flowthrough	H027A220107	APE43071	\$ 609,859.45	\$ 15.35	Forfeited; Reverted to US Treasury due to expiration
0046	Isle of Wight	IDEA-619 Flowthrough	H173A220112	APE62521	\$ 17,248.00	\$ 3.65	Forfeited; Reverted to US Treasury due to expiration
0115	Lynchburg City	IDEA-619 Flowthrough	H173A220112	APE62521	\$ 68,390.00	\$ 3,032.37	Forfeited; Reverted to US Treasury due to expiration
0116	Martinsville City	IDEA-619 Flowthrough	H173A220112	APE62521	\$ 8,001.00	\$ 185.72	Forfeited; Reverted to US Treasury due to expiration
0121	Portsmouth City	IDEA-619 Flowthrough	H173A220112	APE62521	\$ 190,573.00	\$ 5,991.66	Forfeited; Reverted to US Treasury due to expiration
0123	Richmond City	IDEA-619 Flowthrough	H173A220112	APE62521	\$ 137,634.00	\$ 6,864.92	Forfeited; Reverted to US Treasury due to expiration
0130	Waynesboro City	IDEA-619 Flowthrough	H173A220112	APE62521	\$ 17,877.00	\$ 0.70	Forfeited; Reverted to US Treasury due to expiration
0135	Franklin City	IDEA-619 Flowthrough	H173A220112	APE62521	\$ 16,077.00	\$ 9.48	Forfeited; Reverted to US Treasury due to expiration
Total					\$ 16,463,946.75	\$ 1,063,431.14	

The Honorable L. Louise Lucas
The Honorable Luke E. Torian
October 31, 2025
Page 3

In addition, there were three school divisions—Essex County, Loudoun County, and Northumberland County—that failed to meet the compliance requirements for Maintenance of Effort identified during the 2024-2025 school year. Each of these divisions was determined to have failed to comply with Maintenance of Effort requirements during the monitoring conducted by the Virginia Department of Education. Essex County was determined to have not met the requirements under Maintenance of Effort for SFY 2024. Loudoun County was determined to have not met the requirements under Maintenance of Effort for SFY 2023 and SFY 2024. Northumberland County was determined to have not met the requirements under Maintenance of Effort for SFY 2024. Each school division has since returned the funds to the Virginia Department of Education, which in turn returned the funds to the federal government as required.

MOE Compliance Concern Identified During SFY2024-2025 and paid in SFY2025-2026			
LEA Name	MOE Amount Repaid	Comment	
Essex	\$ 451,036.00	Ref: SFY2024	
Loudoun	\$ 15,052,120.00	Ref: SFY2023	
Loudoun	\$ 13,945,013.00	Ref: SFY2024	
Northumberland	\$ 243,607.80	Ref: SFY2024	
Total	\$ 29,691,776.80		

The Virginia Department of Education has worked with the school divisions to implement necessary corrective actions to fulfill the program requirements going forward. Additional details regarding this forfeiture of funding are attached to this document.

There are no other forfeited federal grant funds resulting from failure to meet grant requirements to report for SFY 2025.

If you have any questions or require additional information regarding this transmittal, please contact me or Christina Berta, Chief Operations Officer, at (804) 225-2025.

Sincerely,



Emily Anne Gullickson, M.Ed., J.D.
Superintendent of Public Instruction

EAG/cb

c: The Honorable Aimee Rogstad Guidera
Virginia Secretary of Education

The Honorable Steve Cummings
Virginia Secretary of Finance

Attachment

Multiple School Division Grant Recipients

The information in the table represents school divisions that did not expend funds prior to the expiration date. The Virginia Department of Education sends reminders throughout the life of the grant through monthly or quarterly meetings via zoom. In addition, letters are sent to divisions with unspent balances using a 90-day, 60-day and 30-day timeframe. Additional emails are sent as the grant year approaches the end of the grant performance period, including phone calls for those divisions with large unspent balances.

Maintenance of Effort of Local Education Agencies

The Virginia Department of Education is required by federal regulation to ensure all school divisions in Virginia comply with the requirements of the *Individuals with Disabilities Education Act* (IDEA) Part B, §300.203(b), which mandates that school divisions meet a Maintenance of Effort (MOE) obligation. During SFY 2024-2025, three school divisions received formal communications for not meeting their IDEA MOE Compliance obligations, resulting in a repayment of non-federal funds. Prior to the determination of noncompliance, each school division received extensive technical assistance via email, remote meetings and phone calls. Additionally, each school division was provided with relevant IDEA regulations to assist with determining allowable exceptions as defined under 34 CFR 300.204 and 300.205. The three school divisions will receive either onsite or targeted intensive technical assistance during the 2025-2026 school year to review supporting documentation and to provide support to train current staff and monitor compliance.