



The American Recovery and Reinvestment Act

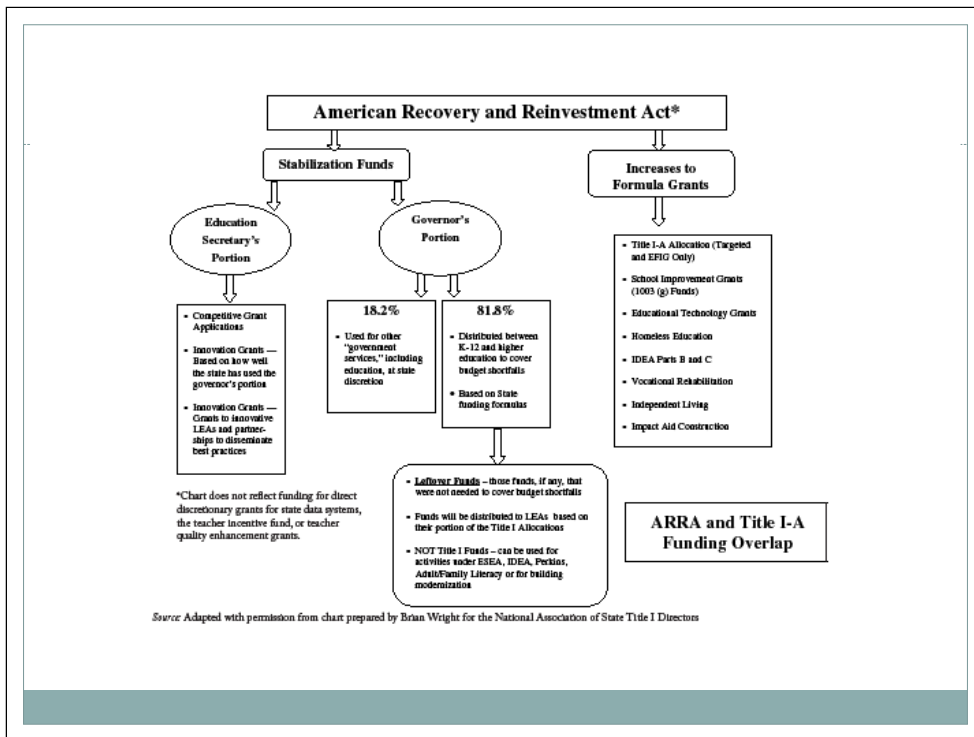


SAVING AND CREATING JOBS AND REFORMING EDUCATION

U.S. Department of Education
March 24, 2009

Superintendent June Atkinson
Adapted April 2, 2009

The American Recovery and Reinvestment Act:
Saving and Creating Jobs and Reforming Education
U.S. Department of Education



Saving and Creating Jobs and Reforming Education

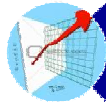
“In a global economy where the most valuable skill you can sell is your knowledge, a good education is no longer just a pathway to opportunity - it is a pre-requisite. The countries that out-teach us today will out-compete us tomorrow.”

- President Barack Obama, 2/24/09

Guiding Principles



Spend Quickly to Save and Create Jobs



Ensure Transparency and Accountability



Thoughtfully Invest One-time Funds



Advance Effective Reforms

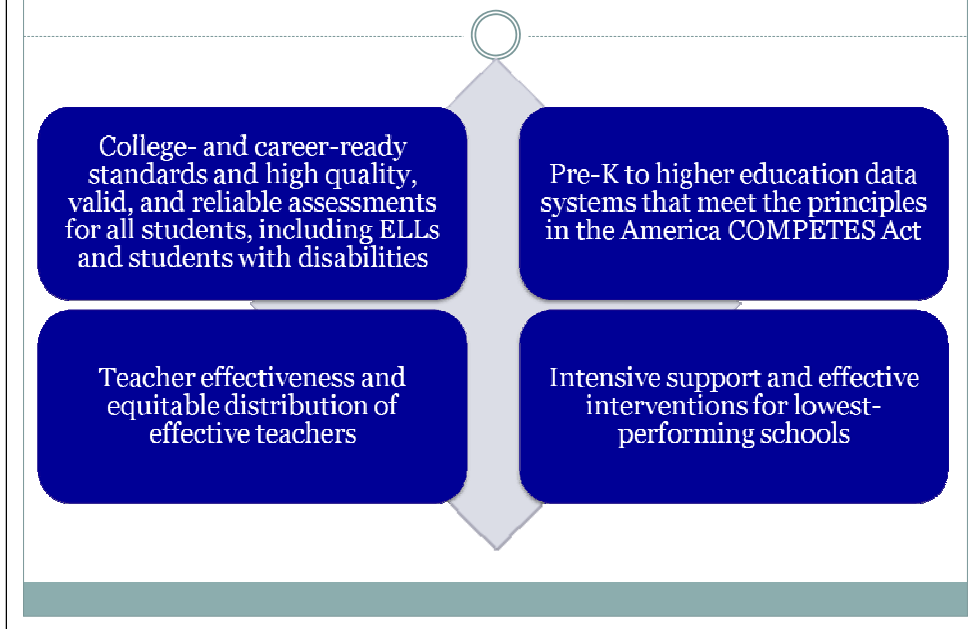
Guiding Principles

The overall goals to stimulate the economy in the short-term and invest wisely, using these funds to improve schools, raise achievement, drive reforms and produce better results for children and young people for the long-term health of our nation.

Four principles guide the distribution and use of ARRA funds:

- **Spend funds quickly to save and create jobs.** *ARRA* funds will be distributed quickly to States, local educational agencies and other entities in order to avert layoffs, create and save jobs and improve student achievement. States and LEAs in turn are urged to move rapidly to develop plans for using funds, consistent with the law's reporting and accountability requirements, and to promptly begin spending funds to help drive the nation's economic recovery.
- **Ensure transparency, reporting and accountability.** To prevent fraud and abuse, support the most effective uses of *ARRA* funds, and accurately measure and track results, recipients must publicly report on how funds are used. Due to the unprecedented scope and importance of this investment, *ARRA* funds are subject to additional and more rigorous reporting requirements than normally apply to grant recipients.
- **Invest one-time *ARRA* funds thoughtfully to minimize the "funding cliff."** *ARRA* represents a historic infusion of funds that is expected to be temporary. Depending on the program, these funds are available for only two to three years. These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires.
- **Improve student achievement through school improvement and reform.** To close the achievement gap and help students from all backgrounds achieve high standards.

Advance Core Reforms: Assurances



Advance Core Reforms: Assurances

States must address four specific areas identified in ARRA that evidence shows make a critical contribution to student results:

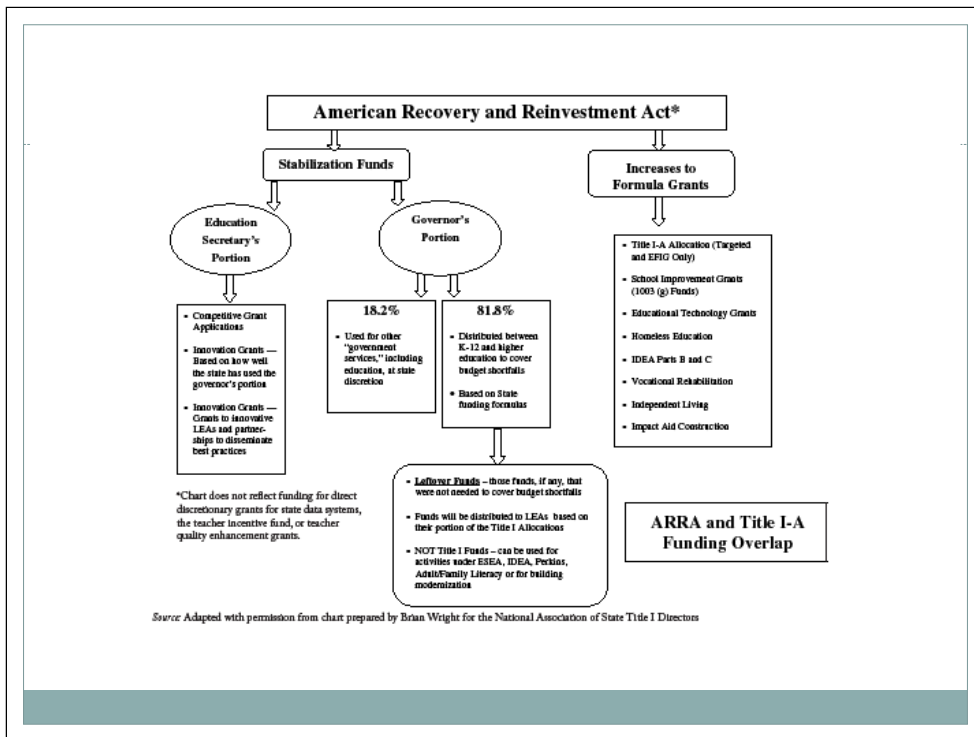
- Making progress toward rigorous college- and career-ready standards and high-quality assessments that are valid and reliable for all students, including English language learners and students with disabilities;
- Establishing pre-K-to college and career data systems that track progress and foster continuous improvement;
- Making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need;
- Providing intensive support and effective interventions for the lowest-performing schools.

Balance Speed and Effectiveness

- Balance speed and stimulus with careful planning and effective reforms
- States should award funds to LEAs as quickly as is prudent and LEAs should use funds expeditiously but sensibly
- LEA obligation timelines:
 - State Fiscal Stabilization Fund (SFSF): must be obligated by September 30, 2011
 - Title I, Part A: in absence of a waiver, 85% by Sept 30, 2010; any remaining by Sept 30, 2011
 - IDEA, Part B: majority during school years 2008/09 and 2009/10 and remainder by September 30, 2011

Balance Speed and Effectiveness

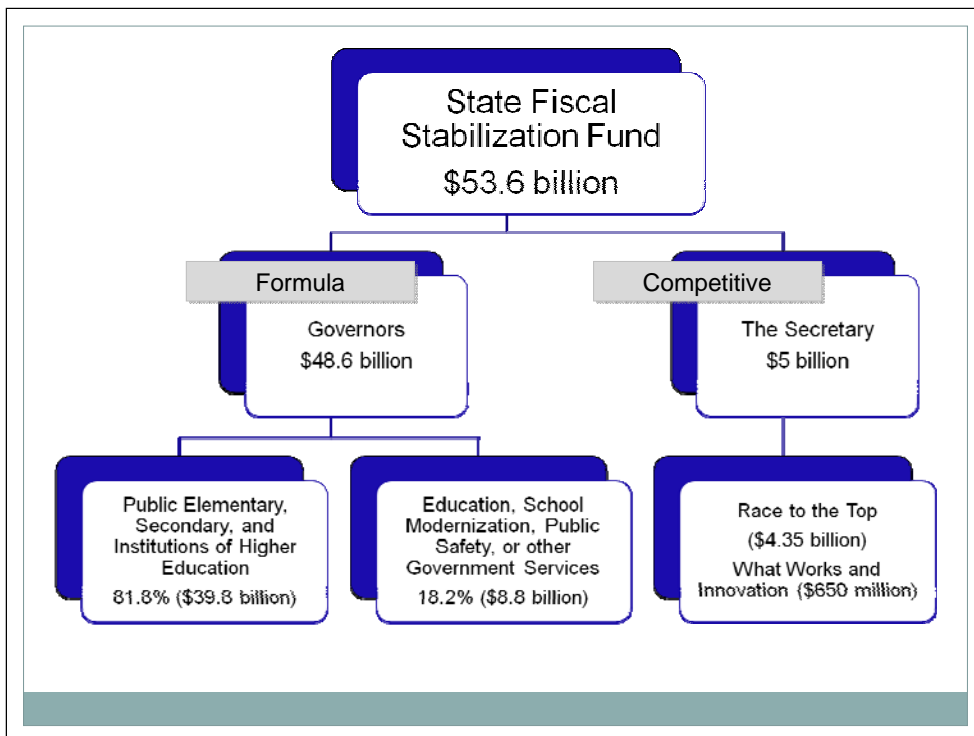
- Balance speed and stimulus with careful planning and effective reforms
- States should award funds to LEAs as quickly as is prudent and LEAs should use funds expeditiously but sensibly
- LEA obligation timelines:
 - SFSF - the Department strongly encourages governors to award or otherwise commit program funds as soon as possible after receipt of their grant awards. However, funds are available for obligation at the State and local levels until Sept. 30, 2011.
 - Title I - the Department encourages States to award Title I, Part A recovery funds to their LEAs as quickly as possible, consistent with prudent management, so that LEAs can begin using the funds. Similarly, an LEA should use its Title I, Part A recovery funds expeditiously but sensibly. Note that, in the absence of a waiver, an LEA must obligate at least 85 percent of its total FY 2009 Title I, Part A funds (including *ARRA* funds) by Sept. 30, 2010. Any remaining FY 2009 Title I, Part A funds will be available for obligation until Sept. 30, 2011.
 - Similarly, an LEA should use the IDEA recovery funds expeditiously. A State should make the Part B Grants to States and Preschool Grants recovery funds that it receives in March available to LEAs by the end of April 2009. Similarly, an LEA should use the *IDEA* recovery funds expeditiously. An LEA should obligate the majority of these funds during school years 2008–09 and 2009–10 and the remainder during school year 2010–11. States may begin obligating *IDEA*, Part B recovery funds immediately upon the effective date of the grant. All *IDEA* recovery funds must be obligated by Sept. 30, 2011.



Saving and Creating Jobs and Reforming Education

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The State Fiscal Stabilization Fund (SFSF) program

- Is a new one-time appropriation of \$53.6 billion under the *American Recovery and Reinvestment Act of 2009 (ARRA)*. Of the amount appropriated, the U. S. Department of Education will award governors approximately \$48.6 billion by formula under the SFSF program in exchange for a commitment to advance essential education reforms to benefit students from early learning through post-secondary education.
- These funds will help stabilize State and local government budgets in order to minimize and avoid reductions in education and other essential public services. The program will help ensure that local educational agencies (LEAs) and publicly funded institutions of higher education (IHEs) have the resources to avert cuts and retain teachers and professors. The program may also help support the modernization, renovation, and repair of school and college facilities. In addition, the law provides governors with significant resources to support education (including school modernization renovation, and repair), public safety, and other government services.
- The Department will award the remaining \$5 billion competitively under the “Race to the Top” and “Investing in What Works and Innovation” programs.

Stabilization Application Assurances

- **Teacher effectiveness that all students have highly qualified teachers**
- **Higher standards and rigorous assessments**
 - NAEP scores
 - Quality of state academic assessments
 - ✦ Collaboration with other states
 - ✦ Multiple measures of academic achievement from multiple sources
 - ✦ Performance and technology-based assessments
 - ELA and students with disabilities

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 - Title I - the Department encourages States to award Title I, Part A recovery funds to their LEAs as quickly as possible, consistent with prudent management, so that LEAs can begin using the funds. Similarly, an LEA should use its Title I, Part A recovery funds expeditiously but sensibly. Note that, in the absence of a waiver, an LEA must obligate at least 85 percent of its total FY 2009 Title I, Part A funds (including *ARRA* funds) by Sept. 30, 2010. Any remaining FY 2009 Title I, Part A funds will be available for obligation until Sept. 30, 2011.
 - Similarly, an LEA should use the *IDEA* recovery funds expeditiously. A State should make the Part B Grants to States and Preschool Grants recovery funds that it receives in March available to LEAs by the end of April 2009. Similarly, an LEA should use the *IDEA* recovery funds expeditiously. An LEA should obligate the majority of these funds during school years 2008–09 and 2009–10 and the remainder during school year 2010–11. States may begin obligating *IDEA*, Part B recovery funds immediately upon the effective date of the grant. All *IDEA* recovery funds must be obligated by Sept. 30, 2011.

Stabilization Application Assurances

- **Effective interventions - restructuring status**
- **Better information**
 - Statewide data system
 - Timely data on student performance

Balance Speed and Effectiveness

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 - SFSF - the Department strongly encourages governors to award or otherwise commit program funds as soon as possible after receipt of their grant awards. However, funds are available for obligation at the State and local levels until Sept. 30, 2011.
 - Title I - the Department encourages States to award Title I, Part A recovery funds to their LEAs as quickly as possible, consistent with prudent management, so that LEAs can begin using the funds. Similarly, an LEA should use its Title I, Part A recovery funds expeditiously but sensibly. Note that, in the absence of a waiver, an LEA must obligate at least 85 percent of its total FY 2009 Title I, Part A funds (including *ARRA* funds) by Sept. 30, 2010. Any remaining FY 2009 Title I, Part A funds will be available for obligation until Sept. 30, 2011.
 - Similarly, an LEA should use the *IDEA* recovery funds expeditiously. A State should make the Part B Grants to States and Preschool Grants recovery funds that it receives in March available to LEAs by the end of April 2009. Similarly, an LEA should use the *IDEA* recovery funds expeditiously. An LEA should obligate the majority of these funds during school years 2008–09 and 2009–10 and the remainder during school year 2010–11. States may begin obligating *IDEA*, Part B recovery funds immediately upon the effective date of the grant. All *IDEA* recovery funds must be obligated by Sept. 30, 2011.

Title I, Part A – ARRA: Fiscal Issues and Waivers

- ED will consider requests for waivers for:
 - “Set-aside” requirements in Title I, Part A that apply to the use of funds by LEAs
 - Per-pupil amount for supplemental educational services
 - State may grant LEAs a waiver of carryover limitation
- ED may not waive supplement not supplant requirement but in cases of severe budget shortfalls LEAs may have avenues to demonstrate compliance
 - (<http://www.ed.gov/programs/titleiparta/fiscalguid.pdf>.)
- ED will consider requests to count SFSF funds as non-federal for purposes of MOE

Title I, Part A – ARRA: Fiscal Issues and Waivers

- The Secretary of Education will consider a request for a waiver with regard to the use of *ARRA* Title I funds:
 - of one or more of the “set-aside” requirements in Title I, Part A that apply to the use of funds by LEAs;
 - to calculate the per-pupil amount (PPA) for supplemental educational services (SES) based on an LEA’s FY 2009 Title I, Part A allocation without regard to some or all of the recovery funds;
 - to allow a State to grant its LEAs a waiver of the carryover limitation in section 1127 of Title I, Part A more than once every three years; or of the Title I, Part A maintenance-of-effort requirement
- ED may not waive supplement not supplant requirement but in cases of severe budget shortfalls LEAs may have avenues to demonstrate compliance
 - (<http://www.ed.gov/programs/titleiparta/fiscalguid.pdf>.)
- ED will consider requests to count SFSF funds as non-federal for purposes of MOE

Potential Uses of Title I Funds that Support Assurances and Avoid “The Cliff”



- **Examples to consider:**
 - Establish a system for identifying and training highly effective teachers to serve as instructional leaders in Title I schoolwide programs and modifying the school schedule to allow for collaboration among the instructional staff
 - Provide new opportunities for Title I schoolwide programs for secondary school students to use high-quality, online courseware as supplemental learning materials for meeting mathematics and science requirements
 - Develop and expand longitudinal data systems to drive continuous improvement efforts focused on increased achievement in Title I schools

Potential Uses of Title I Funds that Support Assurances and Avoid “The Cliff”

Examples of potential uses of the Title I, Part A recovery funds that are allowable under Title I and consistent with ARRA principles:

- Establish a system for identifying and training highly effective teachers to serve as instructional leaders in Title I schoolwide programs and modifying the school schedule to allow for collaboration among the instructional staff
- Provide new opportunities for Title I schoolwide programs for secondary school students to use high-quality, online courseware as supplemental learning materials for meeting mathematics and science requirements
- Develop and expand longitudinal data systems to drive continuous improvement efforts focused on increased achievement in Title I schools

IDEA, Part B – ARRA: Fiscal and Waiver Issues

- Under certain circumstances, the LEA may reduce State and local expenditures for special education by up to 50 percent of the amount of the increase in the LEA's IDEA allocation over the prior year, if the freed-up local funds are used for activities that could be supported under the ESEA, which can include early intervening services
- Under certain circumstances, an LEA may use up to 15% of its total Part B grant for early intervening services for children who are not currently identified as children with disabilities
- ED will consider requests:
 - for waivers to State MOE requirements for exceptional circumstances, including unforeseen decline in fiscal resources
 - to count SFSF as non-federal for MOE

IDEA, Part B – ARRA: Fiscal and Waiver Issues

•An LEA may be able to reduce the level of State and local expenditures otherwise required by the *IDEA* LEA maintenance of effort (MOE) requirements. Generally, under section 613(a)(2)(C), in any fiscal year that an LEA's *IDEA* allocation exceeds the amount the LEA received in the previous year, under certain circumstances, the LEA may reduce the level of State and local expenditures by up to 50 percent of the amount of the increase, as long as the LEA uses those freed-up local funds for activities that could be supported under the *ESEA*. If an LEA takes advantage of this provision, the required MOE for future years is reduced consistent with the reduction it took, unless the LEA increases the amount of its State and local expenditures on its own. SEAs should encourage LEAs that can and do take advantage of this flexibility to focus the freed-up local funds on one-time expenditures that will help the State make progress on the goals in the SFSF program, such as improving the equitable distribution of effective teachers and the quality of assessments. SEAs will be expected to collect and report information on the use of the freed-up funds.

•Alternatively, an LEA may (or in some cases must) use up to 15 percent of its total *IDEA*, Part B Grants to States and Preschool Grants for early intervention services for children in grades K through 12 who are not currently identified as children with disabilities, but who need additional academic and behavioral support to succeed in a general education environment. However, an LEA may use only up to 15 percent of its allocation minus any amount (on a dollar-for-dollar basis) by which the LEA reduced its required State and local expenditures under section 613(a)(2)(C).

•State-level MOE may be waived under Part B of the *IDEA* by the Secretary of Education on a State-by-State basis, for a single year at a time, for exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of a State. LEA-level MOE may not be waived.

•With prior approval from the Secretary of Education, a State or LEA may count SFSF (but not *IDEA* recovery funds) under the *ARRA* that are used for special education and related services as non-federal funds for purposes of determining whether the State or LEA has met the *IDEA*, Part B MOE requirements.

Potential Uses of IDEA Funds that Support Assurances and Avoid “The Cliff”

- **Examples to consider:**
 - Provide intensive district-wide professional development for special education and regular education teachers that focuses on scaling-up, through replication, proven and innovative evidence-based school-wide strategies in reading, math, writing and science, and positive behavioral supports to improve outcomes for students with disabilities
 - Develop or expand the capacity to collect and use data to improve teaching and learning

Potential Uses of IDEA Funds that Support Assurances and Avoid “The Cliff”

Some possible uses of these limited-term *IDEA* recovery funds that are allowable under *IDEA* and aligned with the core reform goals for which States must provide assurances under SFSSF include:

- Provide intensive district-wide professional development for special education and regular education teachers that focuses on scaling-up, through replication, proven and innovative evidence-based school-wide strategies in reading, math, writing and science, and positive behavioral supports to improve outcomes for students with disabilities
- Develop or expand the capacity to collect and use data to improve teaching and learning

Accountability and Transparency



- **All ARRA funds must be tracked separately**
 - Quarterly reports on both financial information and how funds are being used
 - Estimated number of jobs created
 - Subcontracts and sub-grants required to comply with the Federal Funding Accountability and Transparency Act
- **Reporting template being developed for use by States to capture required information**
- **Transparency allows opportunity to quantify/define goals and mobilize support for improving results for all students**

Accountability and Transparency

The President and Congress are committed to ensuring that ARRA dollars are spent with an unprecedented level of transparency and accountability. Therefore, States and LEAs that receive recovery funds should expect to report on how those funds were spent and the results of those expenditures.

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Potential



- Voluntary national essential standards and assessments
- Virtual learning expansion
- Teacher preparation and professional development
- Longitudinal data systems
- Customized education for every student

More Information

- www.ed.gov and www.recovery.gov

–FAQs, Hot Topics, etc

- Preliminary information about each State's IDEA allocation:
<http://www.ed.gov/about/overview/budget/Statetables/recovery.html>
- Preliminary estimates of Title I, Part A recovery allocations to each State and LEA are available at:
<http://www.ed.gov/about/overview/budget/news.html#ARRA>
- SFSF Questions: State.fiscal.fund@ed.gov
- IDEA Questions: IDEArecoverycomments@ed.gov
- Title I Questions: oes@ed.gov
- Inspector General Questions: rich.rasa@ed.gov
- Independent Living and Vocational Rehabilitation Questions: RSARecoverActComments@ed.gov