

Education Policy and the Economy



The Stimulus And how it will impact you.....



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*American Association
of School Administrators
May 7, 2009*

American Recovery & Reinvestment Act



Goals of the money:

1. Spend funds quickly to save and create jobs.
2. Improve student achievement through school improvement and reform.
3. Ensure transparency, reporting and accountability.
4. Invest \$ thoughtfully to minimize funding cliff.

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- **\$11.3 billion** for IDEA, Part B;
 - Districts can reduce their local effort by an amount equal to 50 percent of the federal increase.
 - Reclaimed local dollars must be spent on activities authorized under ESEA
 - For instance, if your district gets a \$500,000 increase in IDEA, they could reduce their local effort in special education by \$250,000 providing that they use those dollars for activities in ESEA.
 - These funds should be **used for short-term investments with the potential for long-term benefits**. School districts should be careful to avoid expenditures they may not be able to sustain once the recovery funds are spent.
- **\$400 million** for IDEA, Section 619
- **\$500 million** for IDEA, Part C – Infants & Toddlers

Additional IDEA Flexibility

Waivers for Construction

- The underlying IDEA statute grants the Secretary the ability to allow LEAs to use IDEA funds for purchasing equipment, construction and renovation (Sec. 300.718)
- **How can YOU apply for an IDEA Construction, Renovation and Equipment Waiver?**
 - **TBD – Watch for further guidance**

Early Intervening Services

- LEAs can use **up to 15% of their total IDEA Part B Grants** to States and Preschool Grants **for early intervening services**
- An LEA can only use up to 15% of its allocation minus any amount by which the LEA reduced its required state and local expenditures (under section 613(a)(2)(C))

Guidance on ARRA IDEA Funding



- Comprehensive Guidance Released on April 1, 2009.
- Must seek a determination from SEA of “Meets Requirements” in order to use 50% flexibility
 - Still working with states to see what this means.
 - New indicators not only measure FAPE but also performance.
- All districts will have to keep two sets of books for IDEA.
 - Need to separate regular IDEA \$ from ARRA IDEA \$.
- Additional information will be available on waiver process for equipment purchases and renovations under Section 605.

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- **\$10 billion** for Title I;
 - State can reserve 4 percent for school improvement.
 - The new ESEA regulations will apply to the new dollars.
 - ✦ Districts will be permitted to apply for a waiver to prevent them from having to set aside funding, such as SES.
 - Need to report per pupil expenditure from state and local funds for every school by December 1, 2009.
- **\$3 billion** for School Improvement Grants;
 - States should be spending these dollars on schools in need of improvement.
 - 40% of this money should be spent on middle and high schools.

Changes in the Title I Regulations



- Secretary proposed changes to the Spellings regulations:
- States will not have to adjust their cohort size to be under 30.
- Secretary will work with states to make allowances for students who take 5 or 6 years to graduate.
- Change will allow states a one year waiver from 14 day parental notification for public school choice.
- Regulations will propose allowing schools and districts to provide SES regardless of INOI status.

Guidance on ARRA Title I Funding



- Title I guidance released on April 1, 2009.
- Districts will still have to separate ARRA Title I \$ from regular Title I \$.
- Maximum flexibility without violating supplement not supplant.
 - Demonstrate reduction in non-federal \$ for activities previously paid for by the local.
 - If you were going to eliminate an activity without counting on new Title I funding, you would need documentation.
 - A staffer paid from local funds could be shifted to Title I purposes and therefore paid with Title I funds.
- Waiver allowed for 20% set aside for choice and SES.

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- **\$650 million** for Title II, Part D: Education Technology;
- **\$250 million** for states to develop longitudinal data systems;
- **\$200 million** for the Teacher Incentive Fund (including merit pay)
- **\$70 million** for the McKinney-Vento Homeless Act;
- **\$100 million** for Teacher Training, Title II of Higher Education Act

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- **\$53.6 billion** for a state stabilization fund, including
 - **\$39.5 billion** for states to fund cuts to K-12 and higher education;
 - ✦ Can spend anywhere in ESEA or for school modernization.
 - **\$5 billion “Race to the Top” Fund** to be based on distribution of teachers, creation of longitudinal data systems, development of assessments for special education and ELL and efforts in school improvement (including **\$650 million** innovation grants); and
 - **\$8.8 billion** for states to spend anywhere within their state budget, including education & school construction;

Race to the Top: How States will Measure



- **Achieving Equity in Teacher Distribution**
 - # of HQT – broken down by Free and Reduced Lunch data
 - % of teachers at each level of the evaluation system
 - % of teacher evaluations systems include student performance?
- **Improving the Collection and Use of Data**
 - Progress towards 12 elements in the COMPETES Act
 - % of teachers who receive reports at the school, classroom and individual student levels that include absolute data and growth compared to last year.

Race to the Top: How States will Measure



- **Regarding Standards and Assessments**
 - Comparison of state achievement data compared to NAEP
 - % of ELL and IDEA students assessed and how many take alternative assessments?
 - % of students who graduate high school and complete 1 year of college credit within 2 years.
- **Supporting Struggling Schools**
 - % of schools within the bottom 1% of performing schools who have turned around, been reconstituted or closed in the last 3 years.
 - % of schools in restructuring that have improved.
 - # of charter school in the state? Is there a state cap?

Guidance on ARRA Stabilization Funding



- State Fiscal Stabilization Fund guidance released on April 1, 2009.
- No games allowed for Governors. Has consequences.
- Governors are allowed to add requirements to the application for SFSF but cannot restrict how a district spends the dollars.
- States cannot disproportionately reduce their effort in education and expect to receive a wavier for their maintenance of effort in Title I and IDEA.
- Should be used in concert with all other funding sources.

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School Modernization

- **\$24.8 Billion** for QZABs and Bonds for New Construction
 - \$22 billion in tax credit bonds for new construction, distributed via Title I formula to states.
 - 100 largest, poorest school districts are guaranteed part 40% of their state's bond allocation.
 - \$2.8 Billion for expansion of the QZAB program.
- Separate direct funding for school modernization was cut from the final deal and added as an allowable use in the state fund.

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- **\$89 billion** for Federal Medicaid Assistant Payments, FMAP, which will provide necessary relief and reduce competition for limited state dollars between Medicaid and education; and
- **\$7.2 billion** for broadband deployment.
- Extension of the **Medicaid Regulations** moratoria until **June 30, 2009**.

Things to look for...

- **House vote 246 to 183**
- **Senate vote 60 to 38**
- **Some Key Areas for Schools**
 - **Waiver allowed for states and districts for maintenance of effort and allowed to supplant with funds in State Stabilization Fund**
 - **Need to coordinate at state level to ensure maximum of state dollars will flow to K-12 education.**
 - **Will the state fund actually mean new dollars to districts?**

Heading Toward Implementation



- Focus is on transparency with a fast spend out.
- All expenditure of ARRA funds will be listed on a federal website.
- First half of Title I and IDEA dollars flowed to states on April 1, 2009.
 - States are required to pass down Title \$ by end of April.
- Second half of Title I and IDEA dollars will flow by September 30, 2009.
- 85% of Title I and IDEA funds must be obligated by September 30, 2010 with the remainder obligated by September 30, 2011.

For More Information...



US Department of Education ARRA Website

www.ed.gov/policy/gen/leg/recovery/index.html

Next Steps: Time for **You** to Get Involved



- Watch in the coming days for additional information from AASA on the stimulus.
- Send us your implementation questions.
 - We will try to get them answered.
- Looking for examples of innovative uses.
- Work at the state level to ensure maximum \$\$ to K-12 education.
- Spend these dollars quickly but carefully.
 - This will be the baseline for all future education increases. If we do it right it will be easier to secure dollars in the future.



Any questions?



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