



American Recovery & Reinvestment Act (ARRA)

State Board of Education

March 12, 2009





American Recovery & Reinvestment Act



- *“If we do the right thing, not just for our economy, but for our children, we have a chance to do something absolutely extraordinary.”* – ED Secretary Arne Duncan
- *“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 prerequisite.”* – President Barack Obama



Selected Education Funding Figures



- **State Fiscal Stabilization Funds \$53,600,000,000**
 - State Grants \$48,600,000,000
 - Incentive and Innovation Grants \$5,000,000,000
- **Title I Grants \$10,000,000,000**
 - Targeted Grants \$5,000,000,000
 - Incentive Grants \$5,000,000,000
- **School Improvement Grants \$3,000,000,000**
- **IDEA (Special Ed) Grants \$12,300,000,000**



Awarding State Stabilization Funds



ED will award the Stabilization Funds to Governors upon approval of State's application.

- 61% of the State's allocation will be based on relative shares of individuals aged 5 to 24
- 39% will be based on relative shares of total population.



Restore Support for Education



- 81.8% of funds awarded for public K-12 and higher ed, and, as applicable, early childhood education programs and services.
- Restore support for public K-12 and postsecondary education to the greater of the FY 2008 or FY 2009 level (to be run through the State's primary education funding formulas).



Public Safety and Other Govt. Services



- 18.2% of the funds awarded for public safety and other government services, which may include assistance for K-12 and IHEs.
- States may use these funds for modernization, renovation, or repair of public school and IHE facilities.



State Fiscal Stabilization Fund \$53.6 Billion



Formula

Competitive

Governors
\$48.6 Billion

The Secretary
\$5 Billion

| | |
|----------------------------------|--------------------------------|
| Elementary & Secondary Education | Institutes of Higher Education |
| 81.8% (39.7 billion) | |

| |
|--|
| Public Safety and Other State Services |
| 18.2% (\$8.8 billion) |

- Incentive Grants
- Innovation Funds



Funding Flow Continued



- If the allocation to the State exceeds the combined shortfall of K-12 Education and Higher Education, then the remainder is distributed on relative Title I shares.
- These do NOT become Title I funds, but are available for all the allowable uses of funds under the ARRA.



District Use of Funds



LEAs may use the funds for:

- any activity authorized under ESEA, IDEA, Adult & Family Literacy Act, or Perkins CTE Act; or
- the modernization, renovation, or repair of public school facilities.



Awarding State Fiscal Stabilization Funds



States are required to submit an application to the ED containing assurances that the State will:

- (a) maintain support for elementary, secondary, and postsecondary education at the FY 2006 level;
- (b) take actions to address inequities in the distribution of highly qualified teachers;
- (c) improve the collection and use of preschool-through-grade-12 and postsecondary education data;
- (d) enhance the quality of the State's academic standards and assessments; and
- (e) take actions to turn around schools identified for improvement, corrective action, and restructuring under the Title I program.



Awarding State Fiscal Stabilization Funds



- State must provide baseline data regarding current status in each of the areas described in the assurances.
- Describe how it intends to use its allocation.



Accountability & Transparency



- The President and Secretary are committed to spending ARRA funds with an unprecedented level of transparency and accountability.
- States and LEAs that receive stimulus funds should expect to report on expenditures and results.
- States must maintain records and provide timely reports.



WA's Share of ARRA IDEA Funds



Question: How much of the ARRA is available for Special Education?

Answer: The breakdown for Washington State is:

- \$221,357,461 in IDEA Part B funds for students ages 3-21
 - \$8,475,569 for students ages 3-5
- to be spent between April 1, 2009 and September 30, 2011.



WA's Share of ARRA IDEA Funds



Question: When will the funding be available to states?

Answer: There are 2 release dates for FY 2009 ARRA IDEA funds: March 31, 2009 and October 1, 2009. 50% of the ARRA funding will be allocated on each date.



Title I Funds



2008 + 2009E + ARRA

| | 2008 | 2009E | ARRA | Total (2009E+ARRA) |
|---------------|--------------|--------------|---------------|--------------------|
| Basic | 6.528 | 6.528 | | 6.528 |
| Concentration | 1.351 | 1.351 | | 1.351 |
| Targeted | 2.938 | 3.232 | 5.000 | 8.232 |
| EFIG | 2.938 | 3.232 | 5.000 | 8.232 |
| TOTAL | 13.89 | 14.49 | 10.000 | 24.492 |

- Amounts in billions



WA's Share of ARRA Title I Funds



Question: How much money is Washington State receiving for Title I, Part A?

Answer: The preliminary estimate is \$135 Million.

NOTE: Washington State received a \$191.5 Million in our regular Title I award for FY 2008-09.



WA's Share of ARRA Title I Funds



Question: How and when will the funds be distributed to school districts?

Answer: 50% of ARRA Title funds are due to arrive in states on March 31, 2009. Soon thereafter, OSPI will distribute funds (to eligible districts with approved applications) based on the ARRA Title I formula. The balance will come later.

•**NOTE:** *OSPI cannot distribute funds until authorized by the State Legislature.*



Awarding Title I Funds



- ED will award Title I Recovery funds to states beginning March 31, 2009.
- Ed will award the balance upon approval of a state's revised consolidated application.
- ED will award the regular Title I allocations to states in 2 installments: July 1 and Oct 1, 2009.
- Altogether, these funds will constitute a State's total FY 2009 allocation.



Awarding Title I Funds



- The recovery funds will be available through September 30, 2011.
- Schools and districts should be particularly thoughtful about the use of these funds to improve teaching and learning that will promote student achievement in Title I schools.
- States and districts should anticipate new requirements for reporting on the expenditure of the recovery funds.



Awarding School Improvement Funds



| | 2008 | 2009E | ARRA | Total (2009E+ARRA) |
|---------------------------|------|-------|------|--------------------|
| School Improvement | 491M | 546M | 3B | 3.5B |



Awarding School Improvement Funds



- ED is developing a new application for school improvement funds.
- The SIF recovery funds are in addition to the 4% set aside for 1003(a) that a state must reserve.
- Additional reporting requirements will be associated with this grant award.



School Improvement



Question: How much of the Title I funding from the federal stimulus package will be available for School Improvement in Washington State?

Answer: OSPI anticipates an increase in 1003(g) funding of \$44.5 million from the federal stimulus package over the next biennium (2009-2011), to support school improvement.



School Improvement



Question: How will additional funds provided through the stimulus package be distributed to LEAs?

Answer: OSPI will allocate 95% of these funds; the remaining 5% will be used to support state-level administration of the grants. Funds will be allocated consistent with provisions of NCLB and other applicable federal guidelines.



School Improvement



Question: What criteria will be used to award grants supported by the stimulus package to districts?

Answer: OSPI anticipates federal guidelines for allocation of stimulus package funds will be similar to previous guidelines for the 2007-2009 biennium. Funds were distributed based on “greatest need” and “greatest commitment” of schools and districts in improvement. OSPI will submit an application to ED. Once approved, OSPI will award grants to districts.



School Improvement



Question: How will districts be notified of the opportunity to apply for grants supported through the stimulus package? What is the timeline to apply for these grants?

Answer: Once the state's proposal for using stimulus package funds is approved by ED, OSPI will use the iGrants system to notify superintendents and district fiscal managers regarding the application process for these competitive grants.



School Improvement



Question: What accountability measures have been established by ED or OSPI for use of stimulus package funds?

Answer: OSPI is working with ED to understand accountability requirements. Initial guidance has been issued on Title I. States must apply to ED for ARRA school improvement funds. Upon approval, funds will be allocated to states beginning this fall. Further guidance is anticipated.



Additional Info



- In the near future, the U.S. Department of Education will make available additional information on the State Fiscal Stabilization Fund program.
- Additional Information and estimated funding tables are at www.ed.gov Please check for information updates.
- If you have any questions or concerns, please email them to: State.Fiscal.Fund@ed.gov