Funds and Distribution Under the Agreement for the American Recovery and Reinvestment Act (ARRA) of 2009

Section and Federal Distribution	State Distribution	Reporting Requirements
 \$74.5 million for ED reservation of funds \$43.5 million in technical aid for state incentive grants \$14 million for departmental management \$14 million from Stabilization Fund \$1 million from impact aid \$2 million from innovation and improvement Education for the Disadvantaged \$13 billion is for distribution through state and local education agency grants under subpart Title I of the Elementary and Secondary Education Act of 1965. The conferees expect states to use some of the funding provided for early childhood programs and activities. The conference report directs ED to encourage states to use 40 percent of their school improvement allocation for middle and high schools. The FY '09 and FY '10 stimulus supplementals for Title I are going out to states together on March 19. (Note: ED will provide guidance in response to questions from Title I directors in the next few weeks.) Funds are to be delivered by formula from the Department to 	ARRA funds should be used to improve student achievement. States will receive initial Title I, Part A and IDEA, Part B funds under pre-existing applications. • \$5 billion for grants to local education agencies (LEAs) • \$5 billion for financial incentives to States The Department will release 50 % of Title I, Part A before the end of March 2009, without requiring new state applications. For the second round of funds, state educational agencies must provide information regarding their ability to meet reporting requirements under the ARRA under Title I, Part A. • \$3 billion for subgrants to local schools for school improvement grants under 1003(g) of ESEA. Funds will be made available beginning in fall 2009, and will be conditioned upon receipt of further information that will be outlined in future guidance. • See the table from ED with state-by-state numbers for each	1. Each LEA receiving funds is required to file with the SEA, no later than December 1, 2009, a school-by-school listing of perpupil educational expenditures from state and local sources during the 2008–09 academic year 2. The SEA shall report that information to the secretary of education by March 31, 2010.
the states.	program. • See the <u>table from ED</u> with district allocations for Title I funds.	
Impact Aid of \$100 million for school construction and additional aid. The secretary of education may reserve up to 1 percent (\$1 million) for management and oversight. The conference report modifies current law, exclusively for the purposes of the American Recovery and Reinvestment Act, to help school districts participate when their students live on tribal lands or their families work with the military, and to better target funding to districts with "shovel-ready" projects, including those that address health and safety and ADA compliance issues.	 40 percent for formula grants. All of the formula funds will be available by the end of March. 60 percent for competitive grants. The secretary of education shall consider the following criteria for the competitive grants: health or safety threat to students, increased use of energy-efficient and recycled materials, cost efficiency, ability to complete within 24 months, and availability of resources to complete the project. See the table from ED with state-by-state numbers for each program. 	

Section and Federal Distribution	State Distribution	Reporting Requirements
School Improvement—\$720 million (2 sections—see below)		
School Improvement Programs (Educational Technology State Grants (ESEA II-D-1) \$650 million		
ESEA II-D-1—The primary goal of this program is to improve student achievement through the use of technology in elementary and secondary schools. Additional goals are (1) helping all students become technologically literate by the end of the eighth grade and, through the integration of technology with both teacher training and curriculum development, (2) establishing research-based instructional methods that can be widely implemented. Typical local activities are the support of continuing, sustained professional development programs and public—private partnerships. Other possible activities are to apply technology to improve academic achievement; the acquisition of materials of instruction that integrate technology and are designed to meet challenging state academic standards; the use of technology to increase parent involvement in schools; and the use of technology to collect and manage school improvement data.	States may retain up to 5 percent of their allocations for state-level activities and must distribute half the remainder by formula to eligible local education agencies and award the other half competitively to eligible local entities. See the table from ED with state-by-state numbers for each program. Funds will be made available beginning in fall 2009, and will be conditioned upon receipt of further information that will be outlined in future guidance.	
School Improvement Programs (Homeless Children and Youth Education) \$70 million for grants to states awarded competitively or in proportion to the number of homeless students in the state during the 2007–08 school year.	States shall subgrant the McKinney-Vento funds to local education agencies competitively or according to a formula based on the number of homeless students identified by the local education agencies. All of the formula funds will be available by the end of March.	
The secretary is required to provide grants to states within 60 days.	Funds must be distributed within 120 days of the date that the funds are received.	

Section and Federal Distribution	State Distribution	Reporting Requirements
Innovation and Improvement—Teacher Incentive Fund (ESEA V-D-1)	Per provisos 5–7 under "Innovation and Improvement" in the Department of Education Appropriations Act of 2008:	
\$200 million The secretary of education may reserve up to 1 percent (\$2 million) of the amount made available under this heading for management and oversight of the activities supported with those funds. A portion of these funds (amount unspecified) shall be used for a rigorous national evaluation by the Institute of Education Sciences, utilizing randomized controlled methodology to the extent feasible, that assesses the impact of performance-based teacher and principal compensation systems on teacher and principal recruitment and retention in high-need schools and subjects.	 5. "\$99,000,000shall be for competitive grants to local educational agencies, including charter schools that are local educational agencies, or States, or partnerships of: (1) a local educational agency, a State, or both; and (2) at least one non-profit organization to develop and implement performance-based teacher and principal compensation systems in high-need schools." The funds will be made available beginning in fall 2009, based on the quality of the applications submitted through a competitive grant process. Guidelines for these funds will be posted shortly. 6. "Such performance-based compensation systems must consider gains in student academic achievement as well as classroom evaluations conducted multiple times during each school year among other factors and provide educators with incentives to take on additional responsibilities and leadership roles." 	
	7. "Up to 5 percent of such funds for competitive grants shall be available for technical assistance, training, peer review of applications, program outreach and evaluation activities."	
Higher Education Teacher Quality Enhancement Act of Title II of the Higher Education Act of 1965 \$100 million for state grants to improve higher education teacher quality and fill teacher shortages.	The following funds will be made available beginning in fall 2009, based on the quality of the applications submitted through a competitive grant process. Guidelines for these funds will be posted shortly.	
IES Statewide Data Systems \$250 million	The following funds will be made available beginning in fall 2009, based on the quality of the applications submitted through a competitive grant process. Guidelines for these funds will be posted shortly:	
\$245 million for competitive grants for statewide longitudinal data systems. \$5 million for state data coordinators and for public or private entities to improve data coordination.	Section 208 authorizes the secretary to competitively award grants to state educational agencies to enable such agencies to design, develop, and implement statewide longitudinal data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data.	
Departmental Management—\$14 million		
For salaries and expenses necessary for oversight and audit of programs, grants, and projects funded in the American Recover and Reinvestment Act.		

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
State Fiscal Stabilization Fund (SFSF) \$53.6 billion	The conference agreement makes the entire amount is available upon enactment of the bill.	See the <u>table from ED</u> with state- by-state numbers for each program.	
The SFSF provides funds to close	Streamlined, user friendly		To prevent fraud and abuse, support
the achievement gap, help all students achieve high standards,	applications for the initial 67 % of the SFSF will be available to		the most effective uses of ARRA funds, and accurately measure and
and address 4 specific areas authorized under the ARRA.	governors by the end of March, and funds will be made available		track results, recipients must publicly report on how funds are
	by the Department within two		used. Due to the unprecedented
1.Making progress toward rigorous college- and	weeks after receipt of an approvable application.		scope and importance of this investment, ARRA funds are subject
career-ready standards and			to additional and more rigorous
high-quality assessments that are valid and reliable for all	For the first round of state stabilization funds, governors must		reporting requirements than normally apply to grant recipients.
students, including English language learners and students	provide three things:		Sates and LEAs that receive SFSF
with disabilities;	1. Assurances that they are advancing		should expect to report on how those
2. Establishing pre-K-to college and career data systems that	the four reforms described in the statute and maintenance of effort;		funds were spent and the results of those expenditures. The
track progress and foster	2. Baseline data on their current		administration will post reports on
continuous improvement; 3. Making improvements in	status in each of these areas; and 3.Basic information on how the funds		ARRA expenditures on the www.Recovery.gov Web site.
teacher effectiveness and in the	will be used.		
equitable distribution of qualified teachers for all	The Department intends to provide		The SFSF authorization also contains specific reporting
students, particularly students who are most in need;	governors with a streamlined,		requirements to help ensure
4. Providing intensive support and	user-friendly initial SFSF application package.		transparency and accountability for program funds. For example, states
effective interventions for the lowest-performing schools.	As part of its application for the		must report to the Department on, among other things: (1) the use of
	second part of the SFSF, a state		funds provided under the SFSF
 State Grants State Incentive Grants	must describe how the state and its LEAs plan to use SFSF and		program; (2) the estimated number of jobs created or saved with
• Innovation Fund	other funding in a fiscally		program funds; (3) estimated tax
The remainder of the funds for these programs are expected to	prudent way that substantially improves teaching and learning.		increases that were averted as a result of program funds; and (4) the
be released during the period	Governors and chief state school		state's progress in the areas covered
July 1 to Sept. 30, 2009, conditioned on states providing	officers should work closely with other state and local officials in		by the application assurances.
additional information. The	the state to develop effective		States must maintain records that
guidelines for securing these funds will be available on our	data reporting systems and plans that will meet the assurances		will permit the Department to monitor, evaluate, and audit the
Web site at www.ed.gov.	required by SFSF.		SFSF effectively.

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
State Fiscal Stabilization Fund (SFSF)	The conference agreement makes the entire amount is available upon enactment of the bill.	See the <u>table from ED</u> with state- by-state numbers for each program.	
\$53.6 billion			
Allocations—Section 14001 Administration and Oversight \$14 million for ED to administer and oversee this title, including program evaluation costs. The secretary of education shall reserve \$5 billion for grants under Sections 14006 (state incentive grants) and 14007 (innovation fund). The comptroller general of the United States shall conduct evaluations of the programs under sections 14006 and 14007 that shall include, but not be limited to, the criteria used for the awards made, the states selected for awards, award amounts, how each state used the award received, and the impact of this funding on the progress made toward closing achievement gaps. The breakdown: \$53,600,000,000 -268,000,000 -268,000,000 -268,000,000 State grants \$48,318,000,000 state grants	\$268 million to outlying areas \$48.3 billion to states via governors These funds will be allocated to states in the following manner: • 61 percent on the basis of their relative population of individuals aged 5 through 24. • 39 percent on the basis of their relative total population Of the state's allocation, the funds are directed to be used as follows: • 81.8 % for education fund • 18.2% for other government services • 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. • See next section for details.	LEAs may use SFSF to pay salaries to avoid having to lay off teachers and other school employees. To the extent LEAs use funds for modernization, renovation or repair, they should consider the use of facilities for early childhood education and for the community and should create "green" buildings. See next section for further details.	For each year, a state shall submit a report to the secretary that describes the following: (1) the uses of funds provided under this title; (2) how the state distributed the funds it received; (3) the number of jobs that the governor estimates were saved or created with funds the state received; (4) tax increases that the governor estimates were averted because of the availability of funds from this title; (5) the state's progress in reducing inequities in the distribution of highly qualified teachers, in implementing a state longitudinal data system, and in developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities; (6) the tuition and fee increases for in-state students imposed by public institutions of higher education in the state during the period of availability of funds under this title, and a description of any actions taken by the state to limit those increases; (7) the extent to which public institutions of higher education maintained, increased, or decreased enrollment of in-state students, including students eligible for Pell Grants or other need-based financial assistance; and (8) a description of each modernization, renovation and repair project funded, which shall include the amounts awarded and project costs.

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
\$48,318,000,000 Funds will be awarded to governors in two phases and states must submit an application. Within 2 weeks of receipt of an approvable application, the Department will provide a state with 67 % of its allocation. If a state's phase 1 funds will be insufficient to prevent the layoff of personnel by LEAs, SEAs, or public institutions of higher education, the Department will award up to 90 % of its phase 1 allocation. In such cases, the remaining allocation will be provided after the Department approves the state's plan. A state will receive the remaining allocation after the Department approves it's plan detailing its strategies for addressing the education reform objectives in the assurances. This plan must also describe how the state is	61 percent is to be distributed on the basis of their relative population of individuals aged 5 through 24. 39 percent is to be distributed on the basis of their relative total population. See the table from ED with state-by-state numbers for each program. The Governor shall use 81.8 percent of the state's allocation in the Education Fund, or \$39,524,124,000, for the support of elementary, secondary, and postsecondary education and, as applicable, early childhood education programs and services The governor shall use 18.2 percent of the state's allocation under section 14001 for public safety and other government services, which may include assistance for elementary and secondary education and public institutions of higher education, and for modernization, renovation, or repair of public	An LEA that receives funds under this title may use the funds for any activity authorized by the: • Elementary and Secondary Education Act of 1965 (ESEA) (which includes the modernization, renovation, or repair of public school facilities), • Individuals with Disabilities Education Act (IDEA) • Adult and Family Literacy Act • Carl D. Perkins Career and Technical Education Act of 2006 (the Perkins Act) • Modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system States must use their allocations in the Education Fund to help restore for FY 2009, 2010, and 2011 support for public elementary, secondary, and postsecondary education to the greater of the FY 2008 or FY 2009 level. The funds	Reporting Requirements
approves it's plan detailing its strategies for addressing the education reform objectives in the assurances. This plan must also	may include assistance for elementary and secondary education and public institutions of higher education, and for modernization,	for FY 2009, 2010, and 2011 support for public elementary, secondary, and postsecondary education to the greater of the FY	
The Department will issue guidance on the specific requirements that a state must meet to receive its phase two allocation. The Department anticipates that the phase-two funds will be awarded beginning July 1, 2009, on a rolling basis.		If any funds remain after the state has restored support for elementary and secondary education and higher education, the state must award the funds to LEAs on the basis of the relative Title I shares but not subject to Title I program requirements.	

Section Stabilization Fund	State Distribution	Local Distribution	Deporting Dequirements
			Reporting Requirements
Education Fund—Section 14002 \$39,524,124,000 The U. S. Department of Education will award governors these funds 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, including: college- and career- ready standards and high-quality, valid and reliable assessments for all students; development and use of pre-K through post-secondary and career data systems; increasing teacher effectiveness and ensuring an equitable distribution of qualified teachers; and turning around the lowest-performing schools. Sixty-one percent of a state's allocations will be on the basis of their relative population of individuals aged 5 to 24, and 39 percent will be based on relative shares of total population. The Department will award SFSF funds to governors in two phases. Within two weeks of receipt of an approvable SFSF application, the Department will provide a state with 67 percent of its SFSF allocation.	The governor shall submit an application that shall include 1) The following assurances: • Maintenance of effort for elementary, secondary, and higher education. • Achieving equity in teacher distribution: Improve teacher effectiveness; address inequities in the distribution of teachers; ensure that low-income and minority children are not taught at higher rates by inexperienced, unqualified, or out-of-field teachers. • Improving collection and use of data: Establish a longitudinal data system that includes the elements in the America Competes Act. • Standards and assessments. Enhance academic assessments, comply with requirements related to the inclusion of children with disabilities and limited English proficient students, the development of assessments for those students, and accommodations that enable their participation in state assessments; take steps to improve academic content standards and student academic achievement standards. • Supporting struggling schools. 2) Provide baseline data that demonstrates current state of assurances 3) Describe how the state intends to use its allocation	The governor shall first use the funds described in paragraph 1 for the following purposes: • to provide the amount of funds, through the state's primary elementary and secondary funding formulae, that is needed (a) to restore, in each of fiscal years 2009, 2010, and 2011, the level of state support provided through such formulae to the greater of the fiscal year 2008 or fiscal year 2009 level and (b) where applicable, to allow existing state formulae increases to support elementary and secondary education for fiscal years 2010 and 2011 to be implemented and to allow funding for phasing in state equity and adequacy adjustments, if such increases were enacted pursuant to state law prior to October 1, 2008. • to provide, in each of fiscal years 2009, 2010, and 2011, the amount of funds to public institutions of higher education in the state that is needed to restore state support for such institutions (excluding tuition and fees paid by students) to the greater of the fiscal year 2008 or fiscal year 2009 level. This amount must be distributed by formulae from the state to local education agencies and through a mechanism determined by the state to institutions of higher education.	In general—An LEA that receives funds under this title may use the funds for any activity authorized by any of the following: • Elementary and Secondary Education Act of 1965 (ESEA) • Individuals with Disabilities Education Act (IDEA) • Adult and Family Literacy Act • Carl D. Perkins Career and Technical Education Act of 2006 (the Perkins Act) • Modernization, renovation, or repair of public school facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system A local educational agency may not use funds received under this title for any of the following purposes: • Payment of maintenance costs • Stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public • Purchase or upgrade of vehicles • Improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities.

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
State Uses of Funds—		The governor shall use 18.2	
Other Government Services		percent of the state's allocation under section 14001 for public safety and other government	
18.2 percent of the state's allocation		services—which may include	
or \$8,793,876,000		assistance for elementary and	
		secondary education and public institutions of higher education—	
		and for modernization,	
		renovation, or repair of public	
		school facilities and institutions	
		of higher education facilities,	
		including modernization,	
		renovation, and repairs that are	
		consistent with a recognized	
		green building rating system.	

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
State Incentive Grants—Federal Administration (Sec. 14006 and Sec. 14007)	Sec. 14006 – State Inventive Grants: \$4,306,500,000		
\$5 billion • \$4.3 billion for State Incentive Grants • \$650 million Innovation Fund • \$43.5 million for technical assistance The Department will award the remaining \$5 billion competitively under the "Race to the Top" and "Investing in What Works and Innovation" programs. The Secretary of Education may reserve up to 1 percent* (\$43.5 million) for technical assistance to states to assist them in meeting the objectives of paragraphs (2), (3), (4), and (5) of section 14005(d), which are titled as follows: 2. Achieving Equity in Teacher Distribution 3. Improving Collection and Use of Data 4. Standards and Assessments 5. Supporting Struggling Schools * \$5,000,000,000,000 - \$650,000,000 = \$4,350,000,000 \$43,500,000	The Department will conduct a national competition among states for a \$4.35 billion state incentive "Race to the Top" fund to improve education quality and results statewide. The Race to the Top fund will help states drive substantial gains in student achievement by supporting states making dramatic progress on the four reform goals described above and effectively using other ARRA funds. Race to the Top grants will be made in two rounds—fall 2009 and spring 2010). Sec. 14007 Innovation Fund:: \$650,000,000 \$650 million of the \$5 billion will be set aside in the "Invest in What Works and Innovation" fund and be available through a competition to districts and nonprofit groups with a strong track record of results. Guidelines and applications for the competitive funds will be posted expeditiously.		

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
Section Stabilization Fund State Incentive Grants—State Distribution of Grant Funding \$4,306,500,000 The secretary of education shall, in fiscal year 2010, make grants to states that have made significant progress in meeting the objectives of paragraphs (2), (3), (4), and (5) of section 14005(d), which are titled as follows: 2. Achieving Equity in Teacher Distribution 3. Improving Collection and Use of Data 4. Standards and Assessments 5. Supporting Struggling Schools	The governor seeking a grant shall do the following: • Submit an application • Describe the state's progress in each of the areas specified in subsection (d) and the strategies the state is employing to help ensure that students in subgroups who have not met the state's proficiency targets continue to progress toward meeting the state's academic achievement standards • Describe the achievement and graduation rates of public elementary and secondary school students in the state, and the strategies the state is employing to help ensure that all subgroups of students identified continue making progress toward meeting the state's student academic achievement	Each state receiving a grant under this section shall use at least 50 percent of the grant to provide local educational agencies in the state with subgrants based on their relative shares of funding under part A of Title I of the ESEA.	Reporting Requirements
The secretary of education shall determine which states receive grants under this section, and the amount of those grants, on the basis of information provided in state applications under section 14005 and such other criteria as the secretary determines appropriate, which may include a state's need for assistance to help meet the objective of paragraphs (2), (3), (4), and (5) of section 14005(d).	 student academic achievement standards Describe how the state would use its grant funding to improve student academic achievement in the state, including how it will allocate the funds to give priority to high-need local educational agencies Include a plan for evaluating the state's progress in closing achievement gaps. An application under subsection (b) shall include assurances in the areas that are titled as follows: 2. Achieving Equity in Teacher Distribution 3. Improving Collection and Use of Data 4. Standards and Assessments 5. Supporting Struggling Schools 		

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
Innovation Fund—\$650,000.000 The Innovation Fund shall consist of academic achievement awards that recognize eligible entities that are (1) a local educational agency or (2) a partnership between a nonprofit organization and (a) one or more local educational agencies or (b) a consortium of schools. To be eligible for such an award, an eligible entity shall have • Significantly closed achievement gaps • Exceeded the state's annual measurable objectives for 2 or more consecutive years or demonstrated success in significantly increasing student academic achievement • Have made significant improvement in other areas, such as graduation rates or increased recruitment and placement of high-quality teachers and school leaders • Demonstrate that they have established partnerships with the private sector Special rule—In the case of an eligible entity shall be considered to have met the eligibility requirements of paragraphs (1), (2), and (3) of subsection (b) if such nonprofit organization has a record of meeting such requirements.	The secretary of education shall make awards to eligible entities that have made significant gains in closing the achievement gap as described in subsection (b)(1): • To allow such eligible entities to expand their work and serve as models for best practices • To allow such eligible entities to work in partnership with the private sector and the philanthropic community • To identify and document best practices that can be shared, and taken to scale based on demonstrated success.		

Section Stabilization Fund	State Distribution	Local Distribution	Reporting Requirements
Evaluation of State Incentive Grants and Funds Distributed Under the Innovation Fund			
The comptroller general of the United States shall conduct evaluations of the programs under sections 14006 and 14007 which shall include, but not be limited to, the criteria used for the awards made, the states selected for awards, award amounts, how each state used the award received, and the impact of this funding on the progress made toward closing achievement gaps.			

Topics not covered by this table:

- Tax credits (higher ed, school construction, school modernization, etc)
- Individuals with Disability Act (IDEA) funds
- Rehabilitation services and disability research
- Pell grants
- Federal work-study programs
- Student Aid Administration