

March 10, 2009

MORE DETAILS ON U.S. DEPARTMENT OF EDUCATION GUIDANCE ON ARRA

Today, the U. S. Department of Education held a conference call with selected organizations to share more details on the ARRA fact sheets that were emailed to the listservs yesterday. These fact sheets can be accessed at www.ed.gov/recovery. Below are highlights that may be of interest.

The **core principles** that will guide the expenditure of the ARRA education funds are:

1. **Spend funds quickly and to stimulate the economy** – The U.S. Department of Education (USDOE) not only cares about getting the funds to states quickly but will also be monitoring (and assisting as appropriate) how quickly funds get from states to locals and from locals to individual schools/colleges.
2. **Save jobs**
3. **Improve student achievement** - USDOE views the ARRA as a chance to invest in areas of education reform that need of attention. The four areas of concentration listed below will be guideposts that Administration will use to prioritize ARRA education expenditures, as well as frame accountability and reporting.
 - **Standards, assessments, curriculum** – USDOE believes that it is time for states to revisit their NCLB standards. The state standards have been in place for several years now. Changes, updates and streamlining are likely necessary. ARRA funds can and should be spent on this work. In addition, most state assessments are still the traditional multiple choice assessments. States can and should consider investing in their assessments, including updating how they measure student progress, as well as re-evaluating the content the assessments measure. The statement was made that most state assessments “narrow the curriculum.” Finally, if standards and assessments are changed, a significant investment is needed to support the revision or

development of curriculum aligned to the new/updated standards and assessments.

- **Data systems** – ARRA funds should be used to build and use quality longitudinal data systems to better understand issues such as dropout rates, as well as determine the effectiveness and efficiency of the education system.
- **Human capital** – Investments should be made in the recruitment of teachers, teacher training, relationships between training institutions and schools, mentoring, pay for performance, etc. USDOE officials did warn of using ARRA funds on staff positions that could not be supported with other funds in two years (after ARRA funds expire).
- A **special target** will be on investing in the **lowest achieving schools** that aren't making any progress. The term used was "dead in the water" schools.

4. **Transparency and accountability**

When will funds be available?

Pell grants and work study: Will be available for the next academic school year, beginning July 1, 2009.

State stabilization fund: 2/3rd of funds will go out 'immediately' upon completion of a streamlined state application. This application is expected in the next 30 – 45 days. The rest of the funds, 1/3, will go out this fall and will be more targeted to the four areas of concentration listed above. Further, states will be expected to demonstrate that they have spent their first 2/3rds wisely and are meeting the rigorous accountability requirements.

Title I, IDEA , and Voc Rehab: ½ will go out by end of the month; second ½ will go out by September 30, 2009.

Programs below the ½ billion mark: (e.g. Impact aid, homeless youth) – will be made available "immediately."

Discretionary grants: The goal is to get the funds out by fall. These funds will be aligned to the four goals listed above.

In the question and answer session, the following information was shared:

- Some have thought that because current NCLB, IDEA, etc. plans have already been approved, perhaps the ARRA funds had to be held until next school year. **NO** – Once funds are received, they **can be used in the current school year.**
- **Accountability** – Will there be more measures/guidance? Yes. More guidance is coming. In short, there will be required quarterly accounting/reporting of how the ARRA funds are being spent. The USDOE expects to share a “voluntary” reporting template aligned to the four areas of concentration listed above. In addition, all funds are expected to be used in compliance with the appropriate statute’s requirements (e.g. IDEA, NCLB, etc.)
- More guidance is coming on the **waiver** process. There is recognition that the waiver process must be fair but expedited.
- There is a recommended focus on **middle and high schools** (40% of the state stabilization fund). This is not mandatory. If a state currently spends no funds on secondary schools, can it change that with ARRA funds? Yes.
- Under the state stabilization fund, states can choose to use these funds to “**back fill**” **losses of state education dollars**. What is eligible to be supported with the state stabilization funds? Basic state aid? Categorical Funds? Financial aid? Scholarships? Answer – USDOE plans to give states broad discretion in this area. More guidance will be provided by the end of the month.

- There is a plan to conduct a **research and evaluation** component of the effect of the ARRA funds, but nothing specific can be shared at this time.
- How much **community input** is required in the decision on how to spend the ARRA funds? (e.g. community input into the state and/or local plans) This will be clarified in guidance that comes out later.
- The “**race to the top**” grants will be competitive - \$4.35 billion out to states. State applications will have to be submitted jointly by the State Superintendent and the Governor. Priority will be given to the four areas of concentration listed above, as well as demonstrated success in other areas such as college and career ready standards, distribution of high quality teachers across the state, teacher effectiveness, progress toward turning around low performing schools.
- Is there anything in the state application that will prevent states from **supplanting** ARRA funds for the state's current commitment to education? There is a requirement that the state continue to support education at the same proportion that it has in the past. So if education was 25% of the state budget before the ARRA, the state must still dedicate 25% of its overall budget to education. The amount of state commitment may decline, because the overall state budget declined but the proportion of investment must stay the same. Again, more guidance on this is coming.
- **GEPA** rules apply to these funds.
- **September 30, 2011** will be the last day to obligate ARRA funds.

Visit www.ed.gov/recovery for updates on the guidance coming out from the USDOE.

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