

Section and Federal Distribution	State Distribution	Reporting Requirements
<p>Education for the Disadvantaged—Title I (Includes Part A and School Improvement Grants)</p> <p>\$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.”¹ In coming weeks, the U.S. Department of Education (ED) will provide additional guidance on opportunities to use ARRA funds to expand high-quality early childhood educational services.²</p>	<ul style="list-style-type: none"> • \$5 billion for grants to local education agencies (LEAs) • \$5 billion for financial incentives to states • \$3 billion for subgrants to local schools for school improvement grants under 1003(g) of ESEA 	
<p>Education for the Disadvantaged—Title I, Part A</p> <p>\$10 billion is for distribution through state and local education agency grants under Title I, Part A, of the Elementary and Secondary Education Act of 1965.</p> <p>Funds are to be delivered by formula from the Department of Education (ED) to the states. In the coming weeks, ED will provide more guidance on these funds, including how they should be used, the procedure of submitting waiver requests, and the reporting requirements.</p> <p>“A state must reserve 4 percent of its Title I, Part A recovery funds for school improvement activities under Section 1003(a) of the ESEA.”³</p>	<ul style="list-style-type: none"> • \$5 billion for grants to local education agencies (LEAs) • \$5 billion for financial incentives to states <p>“The Department awarded 50 percent of each state's Title I, Part A ARRA funds on April 1, 2009. These funds were awarded under each state’s existing approved ESEA Consolidated State Application...</p> <p>“In order to receive the remaining Title I, Part A ARRA funds, a state must submit, for review and approval by the Department, additional information that addresses how the state will meet the accountability and reporting requirements in section 1512 of the ARRA....</p> <p>“An LEA is eligible to receive Title I, Part A ARRA funds if it is eligible under the statutory eligibility criteria established in sections 1125(a)(1) and 1125A(c) of the ESEA for the Targeted and Education Finance Incentive Grant formulas of Title I, Part A.”⁴</p>	<ol style="list-style-type: none"> 1. Each LEA receiving funds is required to file with the SEA, no later than December 1, 2009, a school-by-school list of per-pupil 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, 2010.⁵

Section and Federal Distribution	State Distribution	Reporting Requirements
<p>Education for the Disadvantaged—Title I, Part A “Potential uses of Title I, Part A, recovery funds allowable under Title I and consistent with ARRA principles:</p> <ul style="list-style-type: none"> • “Establishing 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; • “Establishing intensive, year-long teacher training for all teachers and the principal in a Title I elementary school in corrective action or restructuring status in order to train teachers to use a new reading curriculum that aggressively works on improving students’ oral language skills and vocabulary or, in some other way, builds teachers’ capacity to address academic achievement problems; • “Strengthening and expanding early childhood education by providing resources to align a districtwide Title I prekindergarten program with state early learning standards and state content standards for Grades K–3 and, if there is a plan for sustainability beyond 2010–11, expanding high-quality Title I prekindergarten programs to larger numbers of young children; • “Providing 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; • “Using longitudinal data systems to drive continuous improvement efforts focused on improving achievement in Title I schools; • “Providing professional development to teachers in Title I targeted assistance programs on the use of data to inform and improve instruction for Title I–eligible students; • “Using reading or mathematics coaches to provide professional development to teachers in Title I targeted assistance programs; and • “Establishing or expanding fiscally sustainable extended learning opportunities for Title I–eligible students in targeted assistance programs, including activities provided before school, after school, during the summer, or over an extended school year.”⁶ 	<p>“ED expects SEAs to use Title I, Part A ARRA funds available through the four percent reservation for school improvement under section 1003(a) of the ESEA, the five percent reservation for administration, evaluation and technical assistance under section 1003(g) of the ESEA, and the optional reservation for State Academic Achievement Awards under section 1117(c)(2)(A) of the ESEA on short-term investments with the potential for long-term benefits, such as building sustainable capacity at the State and local levels to improve achievement in Title I schools, particularly those Title I schools in improvement, corrective action, and restructuring.</p> <p>“ED expects LEAs to use their Title I, Part A ARRA funds to implement evidence-based strategies that will help build sustainable capacity for improving teaching and learning in Title I schools, recognizing that the amount of funds available will support interventions at a level of intensity not always possible in the past. In making decisions about the uses of these funds, ED encourages LEAs to give particular consideration to early childhood education and programs serving secondary schools, areas for which they may not have had sufficient resources in the past. ED also encourages LEAs to think creatively about the various tools that Title I, Part A provides for improving teaching and learning, including schoolwide programming and the authority under section 1113(c)(4) of the ESEA to provide financial incentives and rewards for teachers in Title I schools for the purpose of attracting and retaining qualified teachers.”⁷</p>	

Section and Federal Distribution	State Distribution	Reporting Requirements
<p>Education for the Disadvantaged—School Improvement Grants</p> <ul style="list-style-type: none"> • “A \$3 billion appropriation will be made available beginning fall 2009.”⁸ • “The conferees direct the Department to encourage states to use 40 percent of their School Improvement allocation for middle and high schools.”⁹ 	<ul style="list-style-type: none"> • \$3 billion for subgrants to local schools for school improvement grants under 1003(g) of ESEA. <p>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.</p>	
<p>Impact Aid of \$100 million for school construction and additional aid.</p> <p>The secretary of education may reserve up to 1 percent for management and oversight.</p> <p>“The conferees modify current law, exclusively for the purposes of the American Recovery and Reinvestment Act, to allow for greater participation of school districts impacted by both students whose parents are associated with the military and students residing on tribal lands, and to allow funding to be better targeted to districts that have ‘shovel ready’ facility projects, including those that address health and safety and ADA compliance issues, among other things.”¹⁰</p>	<ul style="list-style-type: none"> • 40 percent for formula grants • 60 percent for competitive grants. These funds will be available at a later date.¹¹ 	

Section and Federal Distribution	State Distribution	Reporting Requirements
<p>School Improvement—\$720 million (2 sections—see below)</p>		
<p>School Improvement Programs (Educational Technology State Grants (ESEA II-D-1) \$650 million</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	
<p>School Improvement Programs (Homeless Children and Youth Education)</p> <p>\$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.</p> <p>The secretary is required to provide grants to states within 60 days.</p>	<p>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.</p> <p>Funds must be distributed within 120 days of the date that the funds are received.</p>	

Section and Federal Distribution	State Distribution	Reporting Requirements
<p>Innovation and Improvement—Teacher Incentive Fund (ESEA V-D-1)</p> <p>\$200 million</p> <p>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.</p> <p>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.</p>	<p>Per provisos 5–7 under “Innovation and Improvement” in the Department of Education Appropriations Act of 2008:</p> <p>5. “\$99,000,000...shall 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, and will be awarded according to the quality of the applications submitted through a competitive grant process. Guidelines for these funds will be posted shortly.</p> <p>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.”</p> <p>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.”</p>	
<p>Higher Education Teacher Quality Enhancement Act of Title II of the Higher Education Act of 1965</p> <p>\$100 million for state grants to improve higher education teacher quality and fill teacher shortages.</p>	<p>The following funds will be made available beginning in fall 2009 and will be awarded according to the quality of the applications submitted through a competitive grant process. Guidelines for these funds will be posted shortly.</p>	
<p>IES Statewide Data Systems</p> <p>\$250 million</p> <p>\$245 million for competitive grants for statewide longitudinal data systems.</p> <p>\$5 million for state data coordinators and for public or private entities to improve data coordination.</p>	<p>The following funds will be made available beginning in fall 2009 and will be awarded according to the quality of the applications submitted through a competitive grant process. Guidelines for these funds will be posted shortly.</p> <p>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.</p>	
<p>Departmental Management—\$14 million</p> <p>For salaries and expenses necessary for oversight and audit of programs, grants, and projects funded in the American Recover and Reinvestment Act.</p>		

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>State Fiscal Stabilization Fund (SFSF) \$53.6 billion</p>	<p>The conference agreement makes the entire amount is available upon enactment of the bill.</p>		
<p>The SFSF provides funds to close the achievement gap, help all students achieve high standards, and address four specific areas authorized under the ARRA.</p> <ol style="list-style-type: none"> 1. 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 2. Establishing PK-to-college and career data systems that track progress and foster continuous improvement 3. Making improvements in teacher effectiveness and in the equitable distribution of qualified teachers for all students, particularly students who are most in need 4. Providing intensive support and effective interventions for the lowest-performing schools <p>State Grants State Incentive Grants Innovation Fund</p> <p>The remainder of the funds for these programs are expected to be released between July 1 and September 30, 2009, conditioned on states providing additional information. The guidelines for securing these funds will be available on the ED website.</p>	<p>Applications for the initial 67 percent of the SFSF are now available, and ED will make funds available within two weeks after receipt of an approvable application.</p> <p>For the first round of state stabilization funds, governors must provide four things in their applications:</p> <ol style="list-style-type: none"> 1. <u>Assurances</u> that the state is committed to advancing education reform in four specific areas 2. <u>Baseline data</u> that demonstrates the state’s current status in each of the four reform areas (In the application package, ED identified available data that states may use as initial baseline data.) 3. <u>Maintenance-of-effort (MOE) information</u> (Applications include MOE assurances and a waiver form if assurances cannot be met.) 4. A description of how the state intends to use its stabilization funds¹² <p>ED intends to provide governors with a streamlined, user-friendly initial SFSF application package.</p> <p>In applying for the second part of the SFSF, a state must describe how it and its LEAs plan to use SFSF and other funding in a fiscally prudent way that substantially improves teaching and learning. Governors and chief state school officers should work closely with other state and local officials in the state to develop effective data-reporting systems and plans that will meet these assurances.</p>		<p>To prevent fraud and abuse, support the most effective uses of ARRA funds, and accurately measure and track results, recipients must publicly report how funds are used. Because the scope and importance of this investment are unprecedented, ARRA funds are subject to additional and more rigorous reporting requirements than normally apply to grant recipients.</p> <p>States and LEAs that receive SFSF should expect to report on how those funds were spent and the results of those expenditures. The administration will post reports on ARRA expenditures on the Recovery website.</p> <p>The SFSF authorization also contains specific reporting requirements to help ensure transparency and accountability for program funds. For example, states must report to ED on, among other things, (1) the use of funds provided under the SFSF program, (2) the estimated number of jobs created or saved with program funds, (3) estimated tax increases that were averted as a result of program funds, and (4) the state’s progress in the areas covered by the application assurances.</p> <p>States must maintain records that will permit ED to monitor, evaluate, and audit the SFSF effectively.</p>

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>Allocations—Section 14001 Administration and Oversight</p> <p>\$14 million for ED to administer and oversee this title, including program evaluation costs.</p> <p>The secretary of education shall reserve \$5 billion for grants under Sections 14006 (state incentive grants) and 14007 (innovation fund).</p> <p>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.</p>	<p>\$268 million to outlying areas</p> <p>\$48.6 billion to states via governors</p> <p>These funds will be allocated to states in the following manner:</p> <ul style="list-style-type: none"> • 61 percent on the basis of their relative population of individuals 5 through 24 years old • 39 percent on the basis of their relative total population <p>Of the state’s allocation, the funds are directed to be used as follows:</p> <ul style="list-style-type: none"> • 81.8 percent for education fund • 18.2 percent for other government services • ED strongly encourages governors to award or otherwise commit program funds as soon as possible after receipt of their grant awards. Funds are available for obligation at the state and local levels until September 30, 2011. • <i>See next section for details.</i> 	<p>LEAs may use SFSF to pay salaries to avoid having to lay off teachers and other school employees.</p> <p>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.</p> <p><i>See next section for further details.</i></p> <p>State law determines whether a charter school is an LEA or a school within an LEA. A charter school LEA must receive stabilization funding on the same basis as other LEAs in the state.¹³</p>	<p>For each year, a state shall submit a report to the secretary that describes the following:</p> <p>“(1) the uses of funds provided under this title within the State; (2) how the State distributed the funds it received under this title; (3) the number of jobs that the Governor estimates were saved or created with funds the State received under this title; (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.”¹⁴</p>

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>State Grants</p> <p>\$48,600,000,000</p> <p>Funds will be awarded to governors in two phases, and states must submit an application. Within two weeks of receipt of an approvable application, ED will provide a state with 67 percent of its allocation.</p> <p>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, ED will award up to 90 percent of its Phase 1 allocation. In such cases, the remaining allocation will be provided after ED approves the state’s plan.</p> <p>A state will receive the remaining allocation after ED approves its plan detailing its strategies for addressing the education reform objectives in the assurances. This plan must also describe how the state is implementing the record-keeping and reporting requirements under ARRA and how SFSF and other funding will be used in a fiscally prudent way that substantially improves teaching and learning.</p> <p>ED will issue guidance on the specific requirements that a state must meet to receive its Phase 2 allocation. ED anticipates that the Phase 2 funds will be awarded beginning July 1, 2009, on a rolling basis.</p> <p>The secretary of education can require states to make “prompt allocations.”¹⁵</p>	<p>61 percent is to be distributed on the basis of a state’s relative population of individuals age 5 through 24 years old.</p> <p>39 percent is to be distributed on the basis of a state’s relative total population.</p> <p>The governor shall use 81.8 percent of the state’s allocation in the Education Fund (\$39,524,124,000), for the support of elementary, secondary, and postsecondary education and, as applicable, early childhood education programs and services.</p> <p>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 school facilities and institutions of higher education facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.</p> <p>“The Governor has some flexibility in the timing of the release of the funds....A Governor is not required to release in FY 2009 all the education stabilization funds that LEAs and IHEs are entitled to receive on the basis of FY 2009 restoration calculations.” These funds must be obligated by September 30, 2011.¹⁶</p>	<p>An LEA that receives funds under this title may use the funds for any activity authorized by any of the following:</p> <ul style="list-style-type: none"> • Elementary and Secondary Education Act of 1965 (ESEA) (including modernization, renovation, or repair) • 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 <p>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 needed to restore support must be run through the state’s primary elementary and secondary education funding formulae. The funds for higher education must go to institutions of higher education.</p> <p>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.</p>	<p>Metrics for required reporting are under development.</p> <p>“Whether an LEA uses its Education Stabilization funds for activities authorized under the Impact Aid program or for activities authorized under any of the other programs in the ESEA, the IDEA, the AEFLA, or the Perkins Act, the LEA must (a) maintain records that separately track and account for its Education Stabilization funds and (b) report on the specific uses of those funds.”¹⁷</p>

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>State Uses of Funds— Education Fund—Section 14002</p> <p>\$39,743,348,000¹⁸</p> <p>The U.S. Department of Education (ED) 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 postsecondary education, including college- and career-ready standards and high-quality, valid, and reliable assessments for all students; development and use of PK through postsecondary and career data systems; increasing teacher effectiveness and ensuring an equitable distribution of qualified teachers; and turning around the lowest-performing schools.</p> <p>61 percent of a state’s allocations will be awarded on the basis of their relative population of individuals 5 to 24 years old, and 39 percent will be based on relative shares of total population.</p> <p>ED will award SFSF funds to governors in two phases. Within two weeks of receipt of an approvable SFSF application, ED will provide a state with 67 percent of its SFSF allocation.</p> <p>A governor may not retain a portion of these funds to defray the costs of administering the program.¹⁹</p>	<p>Section 14005: State Applications</p> <p>The governor shall submit an application that shall include</p> <ol style="list-style-type: none"> The following assurances: <ul style="list-style-type: none"> 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. Provide baseline data that demonstrates current state of assurances. Describe how the state intends to use its allocation. 	<p>The governor shall first use the funds described in Paragraph 1 for the following purposes:</p> <ul style="list-style-type: none"> to provide the amount of funds, through the state’s primary elementary and secondary funding formulae, that is needed <ol style="list-style-type: none"> 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 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 <p>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.</p>	<p>Metrics will be developed to ensure the appropriate use of the funds. In general—An LEA that receives funds under this title may use the funds for any activity authorized by any of the following:</p> <ul style="list-style-type: none"> 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 <p>A local educational agency may not use funds received under this title for any of the following purposes:</p> <ul style="list-style-type: none"> 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 facilities²⁰

Stabilization Fund Section—Accessing Funds

State Authority	LEA Requirements
<p>“A Governor has the discretion to require an LEA to provide in its application additional information that the Governor may reasonably require. For example, because of the Governor’s administrative responsibilities over the Stabilization program, the Governor may require an LEA to describe how it intends to use its Education Stabilization funds. Such a requirement would help the State ensure that the LEA is expending its funds on activities authorized under the ARRA. In addition, the Governor may require the LEA to demonstrate that it has the capacity to comply with the strict ARRA reporting requirements before the State awards funds to the LEA. However, a Governor may not use the local application process to restrict an LEA’s use of the funds beyond the limitations in the ARRA.</p> <p>“While a Governor may not restrict an LEA’s use of Education Stabilization funds beyond the limitations in the ARRA, he or she may require an LEA to describe in its local application how the LEA will assist the State in advancing essential reforms in the four areas for which the State provides assurances in its application for Stabilization funds....</p> <p>“A Governor has the discretion to determine whether an IHE must submit an application before receiving Education Stabilization funds. As with LEA applications, the Governor may require that IHE applications include information that he or she may reasonably require. A Governor may require an IHE to describe, for example, how it intends to use its Education Stabilization funds to help mitigate the need for increases in tuition and fees paid by in-State students...and how it will meet the ARRA reporting requirements.”²¹</p> <p>“Because the amount of Education Stabilization funding that an LEA receives is determined strictly on the basis of formulae and the ARRA gives LEAs considerable flexibility over the use of these funds, neither the Governor nor the SEA may mandate how an LEA will or will not use the funds.”²²</p>	<p>LEAs are required “to have on file with the State an application that contains the assurances in section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e). Among other things, the LEA must assure that it will (1) administer the program in accordance with all applicable statutes and regulations, and (2) use fiscal control and fund accounting procedures that will ensure proper disbursement of, and accounting for, the funds.</p> <p>An LEA may need to provide in its application a description of the steps it proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, particular programs to be funded with Education Stabilization funds.²³</p>

State Stabilization Fund Section—Draft Metrics to Measure the Use and Impact of ARRA Funds²⁴

Teacher Effectiveness	Standards and Assessments	Support for Struggling Schools	Use and Collection of Data
<ul style="list-style-type: none"> • “the number and percent of teachers in the highest-poverty and lowest-poverty schools in the state who are highly qualified; • “the number and percent of teachers and principals rated at each performance level in each local educational agency’s (LEA’s) teacher evaluation system; and • “the number and percent of LEA teacher and principal evaluation systems that require evidence of student achievement outcome” (p. 3) 	<ul style="list-style-type: none"> • “the most recent state reading and mathematics NAEP scores on 2009–10 State Report Cards; • “whether the state is taking steps to enhance the quality of state academic assessments, including whether the state is engaged in activities consistent with section 6112(a) of the ESEA to <ol style="list-style-type: none"> 1. “work in collaboration or consortia with other states or organizations to improve the quality, validity, and reliability of state academic assessments; 2. “measure student academic achievement using multiple measures of academic achievement from multiple sources; 3. “chart student progress over time; and 4. “evaluate student academic achievement using comprehensive instruments, such as performance and technology-based assessments; • “whether the state has developed and implemented valid and reliable assessments for students with disabilities and the percent of students with disabilities tested on state mathematics and English Language Arts (ELA) assessments; • “whether the state has developed and implemented valid and reliable assessment for English language learners and the percent of English language learners tested on state mathematics and ELA assessments; and • “the number and percentage of students by school who graduate [from] high school and go on to complete at least one year’s worth of college credit (as applicable to a degree) within two years” (p. 4) 	<ul style="list-style-type: none"> • “the number of schools in restructuring status that have demonstrated substantial gains in student achievement, closed, or consolidated within last three years; • “of the schools in restructuring status, the number of schools in the bottom five percent that have demonstrated substantial gains in student achievement, closed or consolidated within the last three years; • “the number and percent of schools in restructuring status that have made progress on state assessments in mathematics and ELA in last year; and • “whether the state allows charter schools and whether there is a cap restricting the number of such schools, the number of charter schools currently operating in the state, and the number of charter schools closed within the last three years for academic purposes” (p. 4) 	<ul style="list-style-type: none"> • “progress towards implementing a statewide data system which includes each of the 12 elements described in the America COMPETES Act, to track progress of individual students, from preschool through postsecondary education, and match students to individual teachers; and • “whether all teachers in mathematics and ELA in tested grades receive timely data on the performance of their students and estimates of individual teacher impact on student achievement, in a manner that informs instruction and includes appropriate benchmarks” (p. 5)

Stabilization Fund Section—Reporting Requirements

In the near future, ED will publish a notice detailing the proposed phase two application process for public comment in the *Federal Register*. The notice will describe specific data metrics that states would use to make transparent their status in the four education reform areas outlined above, including a description of the levels to which the data needs to be aggregated and/or reported (e.g., by school, by local educational agency, by state). The notice will also describe the plan that states would need to provide for gathering data including those elements not currently available and the criteria by which the plan would be evaluated. Publishing these data serves two essential purposes: showing how schools are performing and helping schools improve.²⁵

“[W]hile it is our expectation that states can and should make progress on each of the proposed metrics above, states are not required to demonstrate progress in order to get phase two Stabilization funds. We are only asking states to ensure that states have in place systems to report on final metrics that are developed through rulemaking so that parents, teachers, and policymakers have clear and consistent information about where our schools and students stand.

“For each metric, a state would need to demonstrate that it collects the required data, and that it will make the data easily accessible to the public. While establishing the systems and processes to report these metrics will have costs, states have received and will continue to receive substantial funds with which to help defray these costs (e.g., Statewide Data Systems, Grants for State Assessments, administration portion of all formula grants). If a state cannot report the final developed metrics, it would submit a plan detailing how it would report this information by September 30, 2011. The plan would include:

1. “a description of any issues currently preventing the state from collecting and/or reporting the data;
2. “a description and timeline of its plan for developing a system to collect and report the data;
3. “a timeline for implementing the plan;
4. “the sources of funds the state would use to carry out its plan; and
5. “its process for disseminating the data.”²⁶

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>State Uses of Funds— Other Government Services</p> <p>18.2 percent of the state’s allocation, or \$8,842,652,000²⁷</p>		<p>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 school facilities and institutions of higher education facilities, including modernization, renovation, and repairs that are consistent with a recognized green building rating system.²⁸</p> <p>States “are free to direct this funding to public safety, health care, social services or, if they so choose, education. Both funds also may be used to support school modernization.”²⁹</p> <p>“A State may use these funds to construct, modernize, renovate, or repair a private school facility.”³⁰</p>	

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>State Incentive Grants—Federal Administration (Sections 14006 and 14007)</p> <p>\$5 billion for</p> <ul style="list-style-type: none"> • State Incentive Grants and technical assistance (1 percent) • \$650 million allocated to an Innovation Fund <p>ED will award the remaining \$5 billion competitively under the “Race to the Top” and “Investing in What Works and Innovation” programs.</p> <p>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:</p> <ol style="list-style-type: none"> 2. Achieving Equity in Teacher Distribution 3. Improving Collection and Use of Data 4. Standards and Assessments 5. Supporting Struggling Schools 	<p>Section 14006—State Incentive Grants</p> <p>ED 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 and by effectively using other ARRA funds. Race to the Top grants will be made in two rounds—fall 2009 and spring 2010).</p> <p>Section 14007 Innovation Fund: \$650,000,000</p> <p>\$650 million of the \$5 billion will be set aside in the “Invest in What Works and Innovation” fund and be available to districts and nonprofit groups with a strong track record of results through a competition.</p> <p>Guidelines and applications for the competitive funds will be posted expeditiously.</p>		

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>State Incentive Grants (Race to the Top)—State Distribution of Grant Funding</p> <p>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:</p> <ol style="list-style-type: none"> 2. Achieving Equity in Teacher Distribution 3. Improving Collection and Use of Data 4. Standards and Assessments 5. Supporting Struggling Schools <p>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).</p>	<p>The governor seeking a grant shall do the following:</p> <ul style="list-style-type: none"> • 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 standards. • Describe how the state would use its grant funding to improve student academic achievement in the state, including how it will prioritize fund allocation to high-need local educational agencies. • Include a plan for evaluating the state’s progress in closing achievement gaps. <p>An application under Subsection (b) shall include assurances in the areas that are titled as follows:</p> <ol style="list-style-type: none"> 2. Achieving Equity in Teacher Distribution 3. Improving Collection and Use of Data 4. Standards and Assessments 5. Supporting Struggling Schools 	<p>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.</p>	

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>Innovation Fund—\$650,000.000</p> <p>The Innovation Fund, now being referred to as “Investing in What Works and Innovation,” 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.</p> <p>To be eligible for such an award, an eligible entity shall have</p> <ul style="list-style-type: none"> • Significantly closed achievement gaps • Exceeded the state’s annual measurable objectives for two 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 increases in recruitment and placement of high-quality teachers and school leaders • Demonstrated that they have established partnerships with the private sector <p>Special rule—In the case of an eligible entity that includes a nonprofit organization, the 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.</p>	<p>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):</p> <ul style="list-style-type: none"> • 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 		

Stabilization Fund Section	State Distribution	Local Distribution	Reporting Requirements
<p>Evaluation of State Incentive Grants and Funds Distributed Under the Innovation Fund</p> <p>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.</p>			

Topics not covered by this table:

- Tax credits (higher education, 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

Notes

- ¹ U.S. House of Representatives, 111th Congress, 1st session, *Conference Report to Accompany H.R. 1*, p. 456. [Hereafter, *Conference Report*.]
- ² U.S. Department of Education, *The American Recovery and Reinvestment Act: Saving and Creating Jobs and Reforming Education*, PowerPoint presentation given at the U.S. Department of Education, Washington, DC, April, 2009, p. 26.
- ³ Ibid.
- ⁴ U.S. Department of Education, "[Title I, Part A, Recovery Funds for Grants to Local Education Agencies](#)" (fact sheet, April 1, 2009), pp. 2–3. [Hereafter, "Title I fact sheet."]
- ⁵ *Conference Report*, p. 457.
- ⁶ "Title I fact sheet," p. 4.
- ⁷ U.S. Department of Education, [Guidance: Funds Under Title I, Part A, of the Elementary and Secondary Education Act of 1965 Made Available Under the American Recovery and Reinvestment Act of 2009](#) (Washington, DC: Author, April 2009), pp. 9–10. [Hereafter, *Title I Guidance*.]
- ⁸ "Title I fact sheet," p. 1.
- ⁹ *Conference Report*, p. 457.
- ¹⁰ Ibid.
- ¹¹ *American Recovery and Reinvestment Act of 2009*, sections 805(b)(1), 805(b)(2). [Hereafter, ARRA.]
- ¹² U.S. Department of Education, [Guidance on the State Fiscal Stabilization Fund Program](#) (Washington, DC: Author, April 2009), p. 3. [Hereafter, *SFSF Guidance*.]
- ¹³ Ibid., p. 7.
- ¹⁴ ARRA, section 14008.
- ¹⁵ *SFSF Guidance*, p. 15.
- ¹⁶ Ibid., pp. 15, 10.
- ¹⁷ Ibid., p. 20.
- ¹⁸ [Draft State Allocation Data table](#), "Appendices to the Application for Initial Funding Under the State Fiscal Stabilization Fund Program," submitted for clearance to the Office of Management and Budget by the U.S. Department of Education on March 12, 2009. *Note*: The information in this table has been superseded, and the table is no longer available. New information will be posted as it comes to our attention.
- ¹⁹ *SFSF Guidance*, p. 16.
- ²⁰ Ibid., pp. 18, 19.
- ²¹ Ibid., pp. 16–17.
- ²² Ibid., p. 23.
- ²³ Ibid., p. 16.
- ²⁴ Arne Duncan, Letter to the Governors, April 1, 2009, pp. 3, 4, 5.
- ²⁵ Ibid., p. 3.
- ²⁶ Ibid., p. 5.
- ²⁷ *SFSF Guidance*, p. 1.
- ²⁸ Ibid.
- ²⁹ Duncan, Letter to the Governors, p. 2.
- ³⁰ *SFSF Guidance*, p. 32.