

The American Association of School Administrators



ARRA and Education Reform

The story unfolds!



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American Recovery & Reinvestment Act

Goals of the money:

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



But before we get there....



- On Thursday, May 7th President Obama released the details of his budget plan.
- Education received a \$1.3 billion increase but the majority of that is in **new programs**.
- **Early Childhood** and encouraging **quality teaching** get a boost.
- Focus is on **diminishing or eliminating formula dollars and pushing for more competitive grants** at both the state and national level.



Congress Responds on Funding

- House Appropriations Funding Bill Introduced.
 - \$1.2 billion overall increase for education, 1.8% increase
 - Restores the \$1.5 billion cut to Title I proposed by President Obama.
 - Level funds IDEA, reducing the federal contribution to 17%
 - Cut in Education Technology down to \$100 million.
 - Elimination of Safe and Drug Free Formula Funding.
 - \$400 million for new literacy programming.
 - \$10 million for Promise Neighborhoods.
- House bill passed despite Republican efforts to redirect funding for IDEA.



Congress Responds on Funding

- Senate Appropriations Funding Bill Introduced.
 - Follows the shift from formula to competitive grants.
 - Cuts Title I by \$700 million (specifically in the basic grants).
 - Creates a new school construction program for \$700 million.
 - Level funds IDEA, reducing the federal contribution to 17%
 - Cut in Education Technology down to \$100 million.
 - Elimination of Safe and Drug Free Formula Funding.
 - \$263 million for new literacy programming.
- Full Senate will consider this after August recess.



American Recovery & Reinvestment Act

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



American Recovery & Reinvestment Act

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



American Recovery & Reinvestment Act

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



American Recovery & Reinvestment Act

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



One more thing...

- The Department is proposing increasing the amount the states can set aside of the ARRA Title I and IDEA dollars to help meet the increased costs of the data collections.
 - This will mean less Title I and IDEA dollars for districts.
 - In addition to the state longitudinal data systems funding.
 - No money is provided to assist districts with their data collection costs.
- Comments are due by September 16th!



The Survey

- Third in AASA's 2009 Summer Survey Series
- Asked school system leaders across the country the status of ARRA stimulus dollars in their districts.
- Covered a variety of topics, from what funds have been received and how the funds are being used to what the funds mean to districts and general feedback about the stimulus funding.
- 179 administrators from 44 states



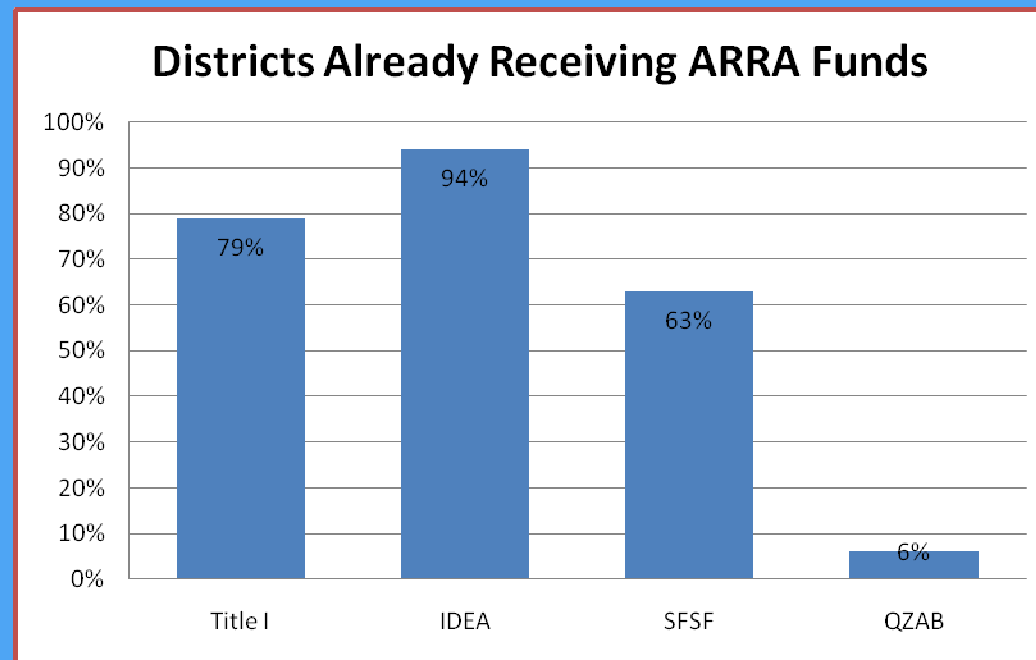
Overview of Results

- Though the ARRA funds represent additional funding and an opportunity to make significant changes, the realities of strained federal, state and local budgets mean many of the dollars are simply backfilling budget holes.
- The budget holes, in addition to insufficient flexibility in the funding to allow for maximum use by local school districts, are sizeable obstacles that many districts have been unable to overcome in their efforts to use the stimulus dollars to save and preserve jobs and implement innovation and reform.



ARRA Funds Are in Districts

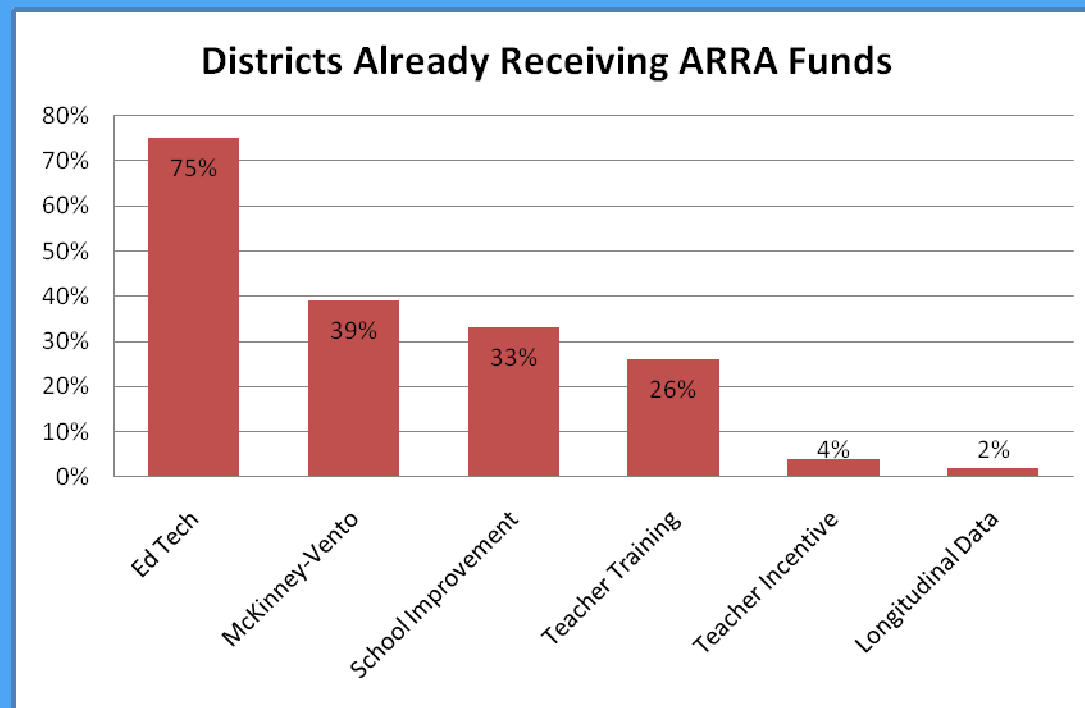
- Even when schools were dismissed for summer vacation, ARRA dollars were flowing to states and local school districts.





ARRA Funds in the Districts

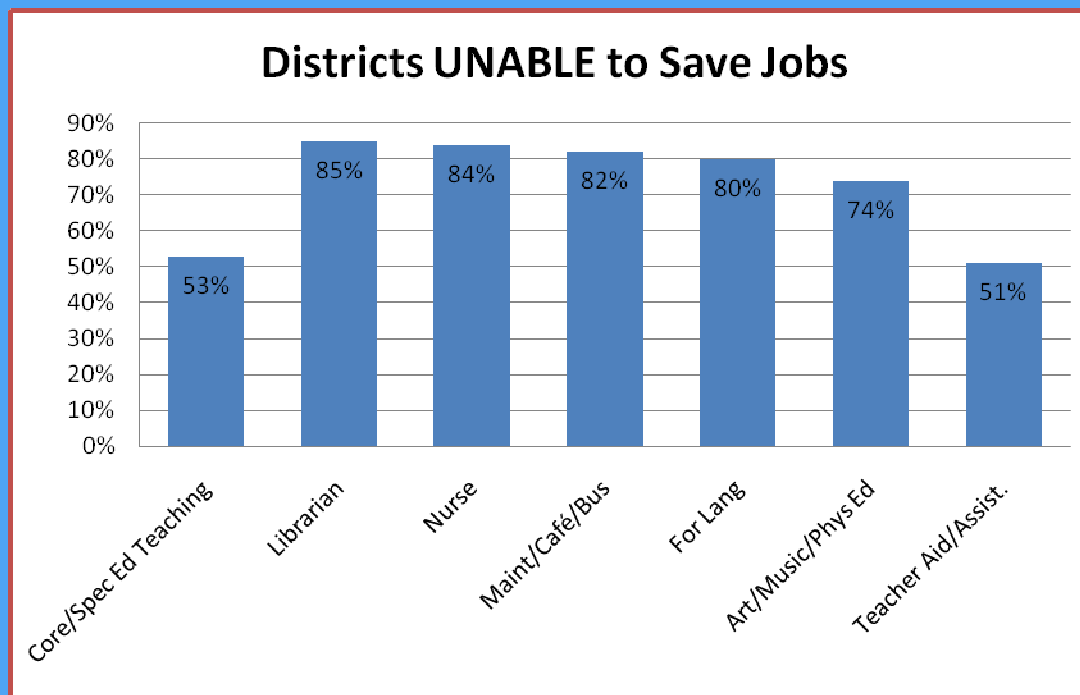
- Respondents reported a handful of other funding streams through which they have already received or anticipate receiving funds beyond those received through the three major education investments in ARRA (Title I, IDEA and SFSF).





ARRA Funds Saving Jobs?

- Fifty-three percent (53 percent) of respondents said they were unable to save teaching positions for either core subjects or special education with ARRA dollars. The inability to save jobs reached beyond instruction:





Where is the money going?

- While a minority of respondents have been able to save core subject teaching positions, a slight majority say that are using or plan to use ARRA dollars to save personnel positions overall, following one of the major goals of the stimulus dollars. Outside of shoring up staff, school districts are investing their ARRA funds in one-time costs.
 - Professional development
 - Saving personnel positions
 - Classroom technology
 - Classroom equipment/supplies
 - software



Overall Impression

- AASA members have reported how difficult it can be to implement innovation and reform when funding levels are cut or flat-lined and the stimulus dollars are simply filling budget holes. When asked how their districts are using ARRA funds to bring about education innovation and reform, more than two-thirds (67 percent) of respondents replied that the stimulus dollars are either filling budget holes or represent only marginal growth in funding levels.
 - Thirty-one percent of respondents reported that *“The ARRA funds simply fill budget cuts and do not represent enough funding for new innovations/reforms.”*
 - Thirty-six percent reported that *“The ARRA funds represent a slight increase in funding levels, with much of the ARRA money simply filling budget cuts. Innovation/reform from the ARRA funds was limited.”*
 - Only five percent of respondents indicated that *“The full amount of our district’s ARRA funds were an increase in funding. We had no budget holes and, as a result, were able to direct all of the ARRA funds toward innovation and reform.”*



Member Responses

- Survey respondents described the difficulty of implementing school reform while the one-time stimulus funding is being used to backfill budget cuts. They also commented on current budget cuts and the looming “funding cliff” once stimulus funds are spent.
- AASA members report a heightened level of bureaucracy and reporting that limits their time and ability to implement education reform and innovation.
- Many respondents reported that increased flexibility in the stimulus dollars would have made innovation and reform easier, especially when the influx of stimulus dollars still left many schools districts’ budgets tight.



Where Do We Go From Here?

- A majority of the stimulus dollars for America's schools will be distributed by the end of the 2009 calendar year. The stimulus funds will continue to be spent and invested through the end of the 2010-2011 school year. As the remaining money is distributed and accountabilities finalized, there will be additional regulations and guidance that will impact not only how and when the money is received, but how schools will be able to spend it. AASA will continue to monitor ARRA and advocate for the greatest flexibility possible, so that school administrators across the country can maximize ARRA's investment in America's public schools.



Race to the Top

- States will have to submit “plans for reform” that will be comprehensive, coherent, integrating and incorporate all four assurances under the SFSF.
- State must have both Phase 1 and Phase 2 applications approved.
- State may not have any statute or regs prohibiting the linking of student achievement data to teacher evaluations.
- Applications will be available late in 2009 and again in the late spring, 2010.
- Public comments are due by August 28, 2009.



Innovation Fund

- \$650 million available through competitive grants to school districts and non-profits through winter and spring windows
- Grants will be given out in three tiers:
 - Pure Innovation Grants - \$5 million for new programs.
 - Strategic Investment Grants - \$30 million for current programs that need to build a research base or expand organizational capacity.
 - Grow What Works Grants - \$50 million to scale up current proven programs



Innovation Fund

- Applications will focus on:
 - Outcomes: improve student achievement and college ready graduates
 - Evidence: looking for quality and relevant evidence for practices that will scale up. (innovative programs can't meet this)
 - Learning: not only focus on student learning but what can the broader community learn from the project.
 - Sustainability: limited funding window, how will program continue?
 - Scalability: feasibility to expand programming



Heading Toward Implementation

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



Any questions?

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